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AUSTRALIAN NAVAL POLICY, 1919 to 1942:
A CASE STUDY IN EMPIRE RELATIONS

B. N. PRIMROSE

THESIS SUBMITTED FOR THE DEGREE OF DOCTOR OF PHILOSOPHY
IN THE DEPARTMENT OF INTERNATIONAL RELATIONS
AUSTRALIAN NATIONAL UNIVERSITY,
SEPTEMBER 1974
This thesis is my own original work.

B. N. Primrose.
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<td>AA</td>
<td>Anti-Aircraft armament</td>
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<tr>
<td>ACNB</td>
<td>Australian Commonwealth Naval Board</td>
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<tr>
<td>ACNS</td>
<td>Assistant Chief of the Naval Staff</td>
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<tr>
<td>AIF</td>
<td>Australian Imperial Force</td>
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<tr>
<td>AJPH</td>
<td>Australian Journal of Politics and History</td>
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<tr>
<td>AMC</td>
<td>Armed Merchant Cruiser</td>
</tr>
<tr>
<td>AMS</td>
<td>Australian Minesweeper (also called 'corvette')</td>
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<td>ALP</td>
<td>Australian Labor Party</td>
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<tr>
<td>CAO</td>
<td>Commonwealth Archives Office (now Australian Archives)</td>
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<td>CCAF</td>
<td>Commodore Commanding the Australian Fleet</td>
</tr>
<tr>
<td>CCAS</td>
<td>Commodore Commanding the Australian Squadron</td>
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<tr>
<td>CID</td>
<td>Committee of Imperial Defence</td>
</tr>
<tr>
<td>C in C</td>
<td>Commander in Chief</td>
</tr>
<tr>
<td>CNS</td>
<td>Chief of the Naval Staff</td>
</tr>
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<td>CPD</td>
<td>Commonwealth Parliamentary Debates</td>
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<tr>
<td>CPP</td>
<td>Commonwealth Parliamentary Papers</td>
</tr>
<tr>
<td>CO</td>
<td>Colonial Office</td>
</tr>
<tr>
<td>COS</td>
<td>Chiefs of Staff Sub-Committee (British)</td>
</tr>
<tr>
<td>DNI</td>
<td>Director of Naval Intelligence</td>
</tr>
<tr>
<td>DO</td>
<td>Dominions Office</td>
</tr>
<tr>
<td>HMAS</td>
<td>His Majesty's Australian Ship</td>
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<tr>
<td>HMS</td>
<td>His Majesty's Ship</td>
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<tr>
<td>IWM</td>
<td>Imperial War Museum, London</td>
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<tr>
<td>MHR</td>
<td>Member of the House of Representatives (Commonwealth Parliament)</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>NMM</td>
<td>National Maritime Museum, Greenwich</td>
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<tr>
<td>PM</td>
<td>Prime Minister</td>
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<td>PRO</td>
<td>Public Records Office, London</td>
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<td>RACAF</td>
<td>Rear Admiral Commanding the Australian Fleet</td>
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<tr>
<td>RACAS</td>
<td>Rear Admiral Commanding the Australian Squadron</td>
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<td>RAN</td>
<td>Royal Australian Navy</td>
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<td>Royal Australian Naval College</td>
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<tr>
<td>RN</td>
<td>Royal Navy</td>
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<td>RAAF</td>
<td>Royal Australian Air Force</td>
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<tr>
<td>RAF</td>
<td>Royal Air Force</td>
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<tr>
<td>SL</td>
<td>Sea Lord</td>
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<tr>
<td>S of S</td>
<td>Secretary of State</td>
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<td>Sec</td>
<td>Secretary</td>
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<td>US</td>
<td>United States of America</td>
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<tr>
<td>USN</td>
<td>United States Navy</td>
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PREFACE

Australia's sense of national identity has developed differently from most other nations which have emerged in the past two hundred years. Until the fall of Singapore, Australia's development had been notable for the absence of trauma in relationships with the Mother Country. Australia has not been embroiled in war with the Mother Country to gain either cohesion or independence as was the case with the United States, the Mother Country was not so weak and subject to rival Powers that the Imperial relationship atrophied as with the South American nations, and Australia was not subject to the centrifugal influence of large, diverse ethnic groups as were both Canada and South Africa. Australia's history has no dramatic 'turning points', only 'milestones' in a process of comparatively orderly development.

Conservative elements consequently have an important role in Australia's relationship with the Mother Country. Geographic location, the problems of distance as well as its strategic advantages, the racial and economic distinctness of the neighbouring peoples and Australia's wealth, size and small population have acted to reinforce the filial ties, making naval defence a significant conservative element in the relationship. So long as the relationship evolved fast enough to accommodate Australia's growing sense of nationalism, the benefits which flowed from membership of the British Empire outweighed the disadvantages and loyalty to Britain remained largely unchallenged.
At the present juncture, when there is much discussion about Australia's national identity and a widespread feeling that a more independent stance internationally is necessary, an understanding of the nature, effects and consequences of Australia's former dependence upon Britain is important. Examination of Australian naval policy sheds light upon the fundamental elements of that relationship, in particular the blend of loyalty, trust and self-assertion which characterized the Australian outlook during the inter-war period.

Inevitably I have been drawn into assessing the effects on Australian development of dependence upon a protector. The balance of this thesis leans toward examining the difficulties and disadvantages of dependence rather than the advantages because the predominant opinion of the inter-war generation was overwhelmingly convinced of the advantages and these advantages are well recorded. The difficulties and disadvantages are more apparent in retrospect and need to be examined. Nevertheless, I have not been convinced that dependence upon Britain for Australia's ultimate protection was per se either unwise or inimical to Australia's interests. In broad terms, there was no realistic alternative. The real contention lies, not in the extremities of dependence or independence, but in the more subtle arena of the middle ground. For a small power, the benefits of reliance upon protection must be balanced against the accompanying loss of independence and jeopardizing of peculiar national interests; acceptance of equipment, expertise and facilities must be balanced against maintenance of freedom of action. The cost of relationships with the rest of the world must be balanced against domestic needs in the allocation of resources. In the conduct of this relationship the outlook engendered in both Government and public opinion by the nature and level of dependence is of crucial importance in the small power's perception of the advantages and problems of the relationship.
I am indebted to many people who have aided my work. I have received generous help from archivists and librarians wherever I have worked, especially in the Commonwealth Archives Office, and equally ready help from service and ex-servicemen. I am grateful to the Royal Australian Navy for taking me to sea and to the Royal Navy for arranging an inspection of HM Dockyard, Portsmouth. The Australian National University provided my fares and living allowance for four months in the United Kingdom which was invaluable, not only for the documents researched, but also for the insights gained. I was able to consult Professor A. J. Maddern en route. I am grateful to Captain S. W. Roskill whose help, while I was in the United Kingdom, was most appreciated. To members of the Department of International Relations I should like to express my pleasure at their fellowship and help over the past three and a half years. I am indebted to all who have read parts of the work and to Miss Jo Marsh who typed the final draft. In particular I should like to express my appreciation to Dr R. J. O'Neil, whose gentle, thorough supervision has aroused my considerable respect. To my wife, who has shared the trials and satisfaction of engrossing research, I owe not a little.

B. N. Primrose
CHAPTER ONE

INTRODUCTION I: BACKGROUND

The Royal Australian Navy (RAN) owed its establishment to Australian nationalism rather than to strategic appreciation. A considerable proportion of public support for an Australian navy in the decade before World War I came not so much from a desire for a navy per se as from a desire to be rid of continued subsidy to Britain in return for the stationing of a Royal Navy (RN) unit in Australian waters. Dislike of the subsidy was the predominant sentiment in the protracted public debate on naval defence in Australia between federation and the passing of the Naval Defence Act in 1909. The sentiment was shared by all parties. Debate arose over the means of avoiding the subsidy. Strategic assessment was the predominant factor in official advice, which stemmed largely from Captain W. R. Creswell,1 and was acknowledged by Deakin and other thoughtful pro-navy supporters. However, strategic assessment lacked the

1 Creswell, W.R. Born Gibraltar, 1852. Entered HMS Britannia, 1865; Sub-Lieutenant, 1871; Lieutenant, 1873; retired from RN 1878; joined South Australian Naval Defence Force as Lt. Commander, 1885; promoted Captain, 1895; Naval Commandant, Queensland, 1900-1904; Naval Officer Commanding Commonwealth Naval Forces, 1904; was appointed First Naval Member of Australian Commonwealth Naval Board when constituted in 1911. Rear-Admiral 1911. Retired 1919. Vice-Admiral (Ret.) 1922. Died 1933.
motivating force of the sentiment against subsidy. Subsidy was regarded as no longer acceptable to a maturing nation.  

Early schemes for an independent Australian navy were limited in scope. The two main reasons for the limited scope were Admiralty opposition to Dominion navies and the restricted financial position of the new Commonwealth Government. Advice from Creswell as late as 1906 was on the scale of squadrons of destroyers. The naval scare of early 1909 heightened public awareness of naval defence in Australia at the same time as it placed the Admiralty in a changed frame of mind in regard to Dominion Navies. Prime Minister Alfred Deakin was able to turn public pressure for the Australian Government to donate a battle cruiser to the British Government toward support for an Australian navy. At the Imperial Conference the same year the Admiralty, as the price for their cooperation, forced the Australian Government to widen the scope of their concept of an

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2 For an ex ample of Deakin's views see his speech of 13 December 1907 on defence policy. Commonwealth Parliamentary Debates (CPD), Vol. XLIII, p. 7513.


4 For details of the naval scare in Britain see A. J. Marder, From Dreadnought to Scapa Flow, Vol. 1, Chapter VII.
Australian navy and accept a Fleet Unit as the basis of an independent Australian service. 5 Intensifying nationalistic sentiment, the public concern aroused by the naval scare and the Admiralty's volte face enabled the Deakin Government to lay the foundations of the RAN as a blue water force of regional significance.

As subsequent events illustrate, however, heightened public awareness of naval defence in Australia was a transitory phenomenon and nationalistic sentiment fluctuated considerably in intensity. When the Naval Defence Bill was passed by 39 votes to 9 in the House of Representatives on 24 November 1909 the RAN was grafted, as it were, onto the nation. The service was not a natural outcome of a maritime tradition. 6

The RAN was acquired by a nation which had little awareness of a maritime tradition. I have taken the term 'maritime tradition' to mean 'popular consciousness of the utility of the sea, of the means and skills associated with exploiting that utility and the consequences thereof'. The term is intended to cover three of the six factors postulated by Mahan as necessary to the exercise of sea power, viz., size and character of population, and character and policy of

5 CPP, 1909, Vol.II, p. 149 ff. Conference with Representatives of the Self Governing Dominions on the Naval and Military Defence of the Empire. July-August 1909. 'In the opinion of the Admiralty, a Dominion Government desirous of creating a navy should aim at creating a distinct Fleet Unit; and the smallest unit is one which, while manageable in time of peace, is capable of being used in its component parts in time of war'. The types of ships advised were one armoured cruiser, three unarmoured cruisers, six destroyers, three submarines, and auxiliary vessels.

6 CPD, Vol. LIV, p. 6255. Two days later, Mr Frazer (Australian Labor Party, Kalgoorlie) made a personal explanation that he and 'a number of others on this side' voted against the Bill in protest against the way it was rushed through the House. ibid., p.6424.
government. I have taken the term 'popular consciousness' to include governmental leaders as well as articulate groups who bring pressure to bear on the governmental system to use the sea and foster activities associated with it. The term also encompasses an indigenous trading community which derives its sustenance from maritime trade, and maritime industries which derive their living from the sea or from servicing industries connected with the sea, especially ship-owning, ship-building and associated trades. The term is taken to involve not only the existence of vested interest, but also a broad popular awareness of an historical and cultural association with the sea. In all this the involvement of indigenes is a sine qua non. A 'popular consciousness' cannot be a vicariously experienced phenomenon.

At the turn of the twentieth century Australian traditions were essentially pastoral and agricultural. Despite the fact that the Australian colonies were founded

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initially in the exercise of British sea power,\footnote{See the discussion which has become known among Australian historians as the 'settlement debate': G. Blainey, *The Tyranny of Distance*, Chapter 2; M. Roe, 'Australia's Part in the "Swing to the East"', *Historical Studies*, Vol.8, 1958, p. 202-13; M. Clark, 'The Choice of Botany Bay', *ibid.*, Vol.9, 1960, p. 221-32; G. C. Bolton, 'The Founding of the Second British Empire', *Economic History Review*, 2nd Series, Vol. XIX, No. 1, 1966, p. 195; G. C. Bolton, *Australian Economic History Review*, Vol.8, 1968, p.3; A. G. L. Shaw, 'The Hollow Conqueror and the Tyranny of Distance', *Historical Studies*, Vol.13, 1968, p. 195; G. Blainey, 'I Came, I Shaw...', *ibid.*, p.204; G. Blainey, 'Botany Bay and Gotham City', *Australian Economic History Review*, Vol. VIII, No. 2, 1969, p. 154-63; G. C. Bolton, 'Broken Reeds and Smoking Flax', *ibid.*; and H. T. Fry, 'Cathay and the Way Thither: The Background to Botany Bay', *Historical Studies*, Vol.14, 1971, p. 497 ff. The last mentioned article places the most explicit emphasis upon settlement being an element in the continuing exercise of British sea power. However, the debate as a whole has had an important effect in placing the previous excessive emphasis on convicts and the conditions of early settlement into a more balanced perspective within the overall context of British overseas expansion.} sustained by maritime enterprise, and dependent on overseas trade as well as the inflow of migrants all transported by sea, the emphasis of their early development was inland rather than seaward. It is true that from Sydney, Melbourne and Hobart, traders were active in the South West Pacific but the economy of the Pacific area did not provide sufficient outlets for extensive development in that direction. The British East India Company kept a strict quarantine around the potential markets in India and China until the 1840s, by which time entrepreneurs in Australia were busy developing the interior of the continent.

Throughout the period of this thesis Australian overseas shipping was dominated by non-Australian interests. British interests held by far the major share of that domination. In 1921-22 British Empire interests controlled 82.61 per cent of shipping entering Australia from overseas and by
1938-39 the figure was 72.82 per cent. The colonial and state-owned register of shipping was small, even in its nineteenth century heyday, and it declined from the 1870s onward with the advent of iron and then steel hulls, steam propulsion, and the Suez Canal. An indication of the domination of Australian overseas shipping trade by non-Australian interests can be gleaned from the tonnages of vessels which entered and cleared Australian ports from overseas. The annual Australian registered proportion of the total for the period 1904-08 was 7.7 per cent; for the year 1921-22, 12.92 per cent; for the year 1927-28, 7.30 per cent; for the year 1932-33, 4.47 per cent; for the year 1938-39, 4.93 per cent and for the year 1969-70, 1.01 per cent. For a nation as heavily dependent upon overseas

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<td><strong>British Empire</strong></td>
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<tr>
<td>Australia</td>
<td>589,175</td>
<td>330,590</td>
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<tr>
<td>United Kingdom</td>
<td>2,802,487</td>
<td>3,744,221</td>
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<td>Canadian</td>
<td>88,526</td>
<td>19,901</td>
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<td>New Zealand</td>
<td>103,471</td>
<td>563,405</td>
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<tr>
<td>Other British</td>
<td>54,466</td>
<td>228,951</td>
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<tr>
<td><strong>Foreign</strong></td>
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<tr>
<td>Danish</td>
<td>28,416</td>
<td>55,441</td>
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<td>134,662</td>
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<td>108,120</td>
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<td>German</td>
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<td>140,954</td>
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<td>Italian</td>
<td>105,159</td>
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<td>Japanese</td>
<td>218,564</td>
<td>329,884</td>
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<td>Norwegian</td>
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<td>Swedish</td>
<td>65,971</td>
<td>123,737</td>
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<td>United States</td>
<td>139,686</td>
<td>175,126</td>
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<tr>
<td>Other Foreign</td>
<td>37,549</td>
<td>207,156</td>
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Year Book of the Commonwealth of Australia, 1923 and 1940.

10 See Year Book of the Commonwealth of Australia for the relevant years. Figures for the first half of the 1920s show a higher Australian content because British shipping on the Australian run had not recovered from the attrition of the war and because some progress had been made under the Hughes Government to increase the number of Australian registered ships.
trade as Australia. These figures pose serious questions in regard to sovereignty.

The Australian coastal shipping trade flourished in the mid-nineteenth century but began to decline from the 1870s onward under the impact of competition from the network of roads and railways spreading out from each metropolitan capital in the boom period for public works between 1860 and 1890. The glut of non-Australian tramp vessels and sailing ships, which congregated on Australian coasts from the 1870s when advanced technology made conditions for them uneconomical in the Atlantic, further reduced Australian ownership in the coastal trade by a process of displacement. Consistently high wage demands by the maritime and waterside unions in Australia also helped reduce both the coastal trade and Australian ownership. Bulk cargo trade between Newcastle, Sydney and Port Kembla remained important until after World War II but that does not seriously affect the point of the overall decline of Australian vested interest in a coastal shipping trade.12

Academic attention to the subject of Australian shipping has been slight and no work appears to have been done in the inter-war period specifically on the topic. It is indicative of Australian lack of awareness about the shipping industry in the period of this thesis that a book such as Windett's Australia as Producer and Trader, 1920-1932, published in 1933 could discuss Australian performance upon the world economic stage in 311 pages of analysis, description, and tables, without specifically dealing with the subjects of shipping, shipbuilding or insurance. The

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trade as Australia these figures pose serious questions in regard to sovereignty.

The Australian coastal shipping trade flourished in the mid-nineteenth century but began to decline from the 1870s onward under the impact of competition from the network of roads and railways spreading out from each metropolitan capital in the boom period for public works between 1860 and 1890. The glut of non-Australian tramp vessels and sailing ships, which congregated on Australian coasts from the 1870s when advanced technology made conditions for them uneconomical in the Atlantic, further reduced Australian ownership in the coastal trade by a process of displacement. Consistently high wage demands by the maritime and waterside unions in Australia also helped reduce both the coastal trade and Australian ownership. Bulk cargo trade between Newcastle, Sydney and Port Kembla remained important until after World War II but that does not seriously affect the point of the overall decline of Australian vested interest in a coastal shipping trade.12

Academic attention to the subject of Australian shipping has been slight and no work appears to have been done in the inter-war period specifically on the topic. It is indicative of Australian lack of awareness about the shipping industry in the period of this thesis that a book such as Windett's Australia as Producer and Trader, 1920-1932, published in 1933 could discuss Australian performance upon the world economic stage in 311 pages of analysis, description, and tables, without specifically dealing with the subjects of shipping, shipbuilding or insurance. The

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word 'shipping' probably occurs less than a dozen times in the book.13

Australian whaling was an important industry for New South Wales and Tasmania in the early days of the colonies.14

However, it was not until Steven's work on Sydney trading interests appeared in 1965 that the importance of early whaling and sealing was appreciated by students of Australian history.15

13 N. Windett, Australia as Producer and Trader, 1920 to 1932, OUP, 1933. Apart from G. Blainey, The Tyranny of Distance, 1966, the only works which have dealt specifically with the Australian shipping industry are K. Trace, 'Australian Overseas Shipping, 1900-1950', PhD. Thesis, University of Melbourne, 1965; K. H. Burley, 'The Overseas Trade in New South Wales Coal and the British Shipping Industry, 1860-1914', Economic Record, August 1960; G. Lewis, A History of the Ports of Queensland, 1973, and K. H. Burley, British Shipping and Australia, 1920-39, 1968. These works have all been published in the last decade. B. Cable, A One Hundred Year History of the P. & O., 1837-1937, 1937, was published within the period covered by this thesis but does not pretend to analyse the Australian shipping industry as a subject in its own right. Work by J. P. S. Bach since his 'Land and Sea Communication, 1837-1864,' MA Thesis, University of Sydney, 1954, has concentrated on the RN in the Pacific during the Nineteenth Century.

14 In New South Wales, products from whaling were the primary export staple until surpassed by wool in 1828. The industry languished in the world-wide slump in the price of baleen oil in the 1840s and when whaling again became profitable in the early twentieth century, Australian participation was slight. Little academic research was carried out in Australia, during the period of this study, on the economic or social effects of the whaling industry. To my knowledge, although the industry was mentioned in passing in several works of the period, the first work to deal with the topic in an extended, detailed fashion was J. W. Dakin's book Whalers and Adventurers published in 1934. There is a wealth of biographical and literary material written by whaling men emanating mainly from the period before 1840. Australian whaling revived slightly immediately prior to World War II but was generally non-existent during the period of this study.

The fishing industry operated on a small fleet basis in each state but remained, with the possible exception of the pearl shell fishing industry, insignificant on a national scale. Australian consumption of fish remained relatively low.  

A shipbuilding industry existed in Australia during the nineteenth century but declined with the advent of metal hulls and steam propulsion, both of which relied on a sophisticated industrial infrastructure. Whereas wooden ships were constructed largely at the dockyard, metal ships relied considerably upon off-yard foundry work. By the beginning of World War I both New South Wales and Victoria possessed state dockyards capable of building metal ships, but all plates and other members had to be purchased in Britain. The B.H.P. Co. did not produce steel for shipbuilding until after World War I. As will be seen subsequently the Australian shipbuilding industry languished during the period of this thesis. The amount of work

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16 In 1923 it was estimated that Australians consumed 10 lbs of fish per head of population in contrast to 42 lbs per head in Britain. The comparatively heavy import of dried and preserved fish indicated that the Australian fishing industry had potential for expansion. However, in 1923, the industry was badly managed, profits were precarious and transport lacked method. In the year 1921-22, 7,846 men were employed in general fisheries, 602 men were employed in oyster fisheries and 2,403 men were employed in pearl, pearl shell and bêche-de-mer fisheries. The values of the take for the respective fisheries in 1921 were £43,329, £96,808 and £286,101. By 1940 progress in the industry was still being described as 'slow'. Australian annual consumption had risen to 13 lbs per head, and the Commonwealth Department of Fisheries had been established. However, the number of men employed in the industry had risen in 1938-1939 to only 9,081 in general fisheries, 850 in oyster fisheries, and had dropped to 1,750 in the pearling industry. 


ibid., 1940, p. 450-453.
produced indicates the small number of Australians involved in the industry. It should be noted that development of the shipbuilding industry would have brought a wide range of other industries into association with the sea and greatly increased Australian vested interest in maritime affairs as a result of the considerable 'spin off' from the building of metal ships. The fact that the shipbuilding industry did not develop to any significant extent in Australia is an important factor in the limited awareness of a maritime tradition.

The insurance industry in Australia, and especially the marine side of the industry, was heavily controlled by British interests in the nineteenth century and remained so during the inter-war period. As a proportion of the total premiums paid during the period in general insurance, marine premiums amounted to less than a tenth.

17 Tonnages and Numbers of Vessels Built in Australia:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Vessels Built</th>
<th>Steamers, Gross Tons</th>
<th>Motor Vessels, Gross Tons</th>
<th>Sailing Vessels, Gross Tons</th>
<th>Other Vessels, Gross Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1922</td>
<td>17</td>
<td>5,087</td>
<td>169</td>
<td>262</td>
<td>-</td>
</tr>
<tr>
<td>1928</td>
<td>12</td>
<td>8</td>
<td>114</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>1933</td>
<td>4</td>
<td>-</td>
<td>140</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>1931</td>
<td>11</td>
<td>-</td>
<td>721</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*This vessel was a wooden vessel and could have been built for pleasure purposes. Year Book of the Commonwealth of Australia, 1923, 1929, 1934, 1940.

18 General Insurance Premiums on Policies written in Australia, less reinsurance and returns:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total General Insurance</th>
<th>Marine Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932-33</td>
<td>£10,348,052</td>
<td>£1,270,013</td>
</tr>
<tr>
<td>1938-39</td>
<td>£16,849,919</td>
<td>£1,017,897</td>
</tr>
</tbody>
</table>

*Year Book of the Commonwealth of Australia, 1934 and 1940. No figures are given for the 1920s which are capable of being married with this table. The figures do not distinguish between British and Australian owned companies, and they do not distinguish between hull and freight policies. Records of the Sydney Marine Underwriters and Salvage Association Ltd. reveal that between 1919 and 1942 approximately 17 per cent of the insurance companies handling marine and freight business which were registered and operating in Australia were Australian-owned. Of the remainder, the majority were United Kingdom companies with a small percentage of...
Limited popular consciousness of the sea can also be gauged from examining Australian art, literature, music, poetry, folklore and education syllabi. The sea and activities associated with it have little part in Australian culture or written history except for the early colonial experience. It is also significant that during the period of this thesis there was little interest among academic or government economists in the utility of the sea.  

Thus, in the period before World War I and during the inter-war period involvement in activities associated with the sea was slight. Few Australians had any personal association with the sea, apart from leisure activities, and there was little Australian vested interest in maritime or related activities. At first glance it seems incongruous that Australians should have had so little a sense of maritime tradition, especially as four of Mahan’s six elements of sea power applied to Australia. However, European and American companies. There may have been one or two companies which were not members of the Council of Marine Underwriters which do not show up in the figures, and the Lloyds Underwriting Agencies are not included. There is also no indication of the extent of overseas capital in the firms listed as Australian owned. In 1919, of a total of 60 member companies of the Council of Marine Underwriters, eight were Australian owned; in 1926, 19 of 90 were Australian owned; in 1933, 15 of 84 were Australian owned; in 1939, 13 of 84; and in 1942, 14 of 83 member companies were Australian owned. The majority of the business written covered freight although some hull business was written. Forty per cent of the Adelaide Steamship Company fleet was written in Australia although most of the re-insurance for that would have been placed overseas. C. D. Hendri, Assistant Secretary, to the author, 21 February 1974.

19 This conclusion was confirmed in an interview with Professor Sir John Crawford at the Australian National University, 11 January 1974.

20 The continent and its appendages is an island in terms of its relationship to its surrounding area and in its cultural and economic situation. The physical conformation of the continent, with the densest areas of settlement on the coastal strip between Townsville and Adelaide, rendered internal communication possible, though difficult. The extent of territory over which vital interests were spread was not so great as to make defence of vital areas impossible, although outside help would have been required to defend the whole continent against a major power. The economy was heavily dependent upon overseas trade.
Australians viewed their country as a continent rather than as an island. The small Australian population was deeply involved with development of the interior of the country, and the pattern of British investment in Australia confirmed the inland direction.

At the beginning of the twentieth century British interests controlled or supplied Australian maritime needs and there seemed to Australians neither the need nor the opportunity to contest that state of affairs. During the 1920s Bruce's policy of 'men, money, markets' was directed, with support from the Country Party, towards developing the interior of the continent. Maritime affairs were peripheral and were left to a benevolent Mother Country upon which the Bruce-Page Government was pressing the concept of Empire preference. The economic straits in which the Lyons Government found itself gave little scope for the development of an alternative policy.

The RAN was acquired by a nation where popular attention, when it focused on defence, tended to focus on the army. By 1865 the colonies had become responsible for their own military (as distinct from naval) forces. Although the colonies acquired small local naval defence forces toward the end of the nineteenth century, the RN continued to cover naval defence in Australian waters until 1913. By the time of federation Australian colonial contingents had served beside British forces in two campaigns abroad, even if not in a significant role. The concept of an expeditionary force was firmly entrenched in Australian traditions before the First Australian Imperial Force (AIF) sailed in 1914. During World War I the predominance of the Army in the popular mind was reinforced. The great proportion of Australians on active service served in the Army. AIF units maintained their Australian identity, unlike the RAN, which was dispersed to serve with RN forces on various stations. It is indicative of the AIF's predominance during World War I that there should be seven volumes of *Official History of Australia in the War of 1914-18* devoted to the AIF and one volume to the RAN.
Sydney had a more conscious affinity with the Navy than did any other Australian city. This was so partly because Sydney was the principal sea-port by 1900, and partly because the primary RN base on the Australia Station was at Garden Island in Sydney Harbour. However, Rear Admiral J. S. Dumaresq in the early 1920s realised the lack of popular identity with the Navy, even in Sydney, and accordingly made each occasion of the Fleet's putting to sea an exercise in public relations. He organized parades, sports exhibitions and fleet reviews in order to keep the RAN continually before the attention of the Sydney public. Unlike the situation in Britain, where a maritime tradition had existed for centuries

21 This base was handed over to the RAN at the arrival of the Fleet Unit in 1913 and has been the RAN's principal base since that time. Vice Admiral A. P. Everett, First Naval Member of the Australian Commonwealth Naval Board (ACNB), noted in 1924: incidentally naval interest at Melbourne although it is the present seat of the Federal Government is far less than that which can be excited at Sydney.

22 H. J. Peakes, White Ensign - Southern Cross, p. 198. [Dumaresq's] great objective was to identify the Australian fleet with the Australian people, and to that end during his period of command no opportunity was lost in bringing the fleet to the notice of the taxpayers.

Peakes joined the Commonwealth Naval Forces in 1906 from the British merchant service and commanded several Australian ships including Melbourne, Brisbane and Albatross until he retired from the Active List as a Rear Admiral in 1933.

Dumaresq, J. S. Born Sydney, 1873. Entered RN, 1886; Commanded HMAS Sydney, 1917-19; Commodore Commanding Australian Fleet, 1919-21; Rear Admiral Commanding Australian Fleet, 1921-22. Died at Manila 1922, on route to Britain on reversion to RN.
and the people had a close affinity with the Navy, in Australia the RAN could not afford to take popular esteem for granted.

The point of Australia's slight sense of a maritime tradition is not made with a view towards arguing that Australia ought to have a strong maritime tradition. The latter point is open to debate and is beyond the scope of this study. Rather, the point of limited awareness of a maritime tradition is made because the RAN was established within that context and the context has considerable effect upon the development of the service.

One of the most fundamental effects of a limited maritime tradition was that the Australian naval policy was based upon the authority of British advice rather than upon local advice. While British advice generally served Australia well, Australia's situation was not identical to Britain's. Australian naval policy was firmly established upon the British concept that the 'Seas are one'. Stated simply, the concept hinged upon the assumption that a

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23 The 'Seas are one' concept was neither uniquely British nor new. English expansion since Henry VII had emphasised the relevance of the concept for an island people with significant overseas interests. During the period of peace which followed the Napoleonic wars, attention swung away from the Navy in Britain. During the 1860s and 70s debate raged between the 'Bricks and Mortar' school of thought and the 'Blue Water' school over the best way to defend the nation's interests. By the 1880s the RN had largely won its point and the doctrine that the 'Seas are one' had become sufficiently articulated to be accepted as a principle of modern strategy. See Schurman, Education of the Navy. It was a primary purpose of Mahan's writings to have this and other doctrines of sea power accepted by the United States authorities. See also Sprout, 'Mahan'. In Australia Mahan was read and his ideas added strength to the supporters of a Blue Water force. See H. J. Zwillenberg, 'Citizens and Soldiers: Defence of South Australia, 1836-1901', MA. Thesis, University of Adelaide, 1970, Chapter VI, for an account of colonial naval forces in South Australia. Zwillenberg shows colonial naval forces to have been a product of the Bricks and Mortar versus Blue Water debate. The victory of the Blue Water school in

(cont.)
warship could move anywhere on the world's oceans to threaten shipping or coastal interests. The most effective defence against such threat was the possession of a naval force capable of operating against enemy fleets or units on any part of the world's oceans. Thus, to protect world-wide interests a navy capable of operating on any of the world's oceans was necessary. In 1909 such a capacity required a Blue Water fleet and a network of bases.

The concept was well suited to the defence of Britain and British interests. Britain possessed the foremost Blue Water fleet in the world and an extensive network of bases. The scale of priorities evolved in the application of the concept reflected the fact that the British Isles were in close proximity to potential enemies. Therefore the safety of Home Waters was the Admiralty's primary consideration. The safety of overseas interests was secondary.

Britain led to acceptance of the role of gun boats for local defence in the colonies. The three biggest ships purchased by Australian colonies, Victoria, Cerberus and Protector, were all designed for port and local coastal defence. Zwillingberg indicates the contradictory ideas in the colonies regarding defence of territorial waters (three miles from the coast) and their questioning of whether the area between the coast and the territorial limit was an Imperial or colonial responsibility. It is clear from the work that colonial vessels were a variation on the main theme of local defence and there was little concept of colonial participation in naval defence offshore. The Australian interests even inside territorial limits until 1913.
For Australia, also with trading interests extending to the opposite side of the world though not as diverse as the British interests, the concept that the 'Seas are one' held good. However, there were differences in application. Australia was not an important target to a European enemy and the large distances between Australia and Europe made it unlikely that the Australian metropolitan area would be in any danger. So long as an enemy did not arise in the Pacific or Asian area, Australian interests were seriously vulnerable mainly in transit at sea. At the same time Australia could afford neither a naval force with world-wide capacity nor a network of overseas bases.

However, Australia was part of the British Empire. By relying upon British naval protection beyond Australian waters the vulnerability of Australian interests at sea was markedly diminished, especially if those interests were carried in British ships and bound for British markets. The decreasing importance of distant interests to the Admiralty was matched by the decreasing importance of distant targets to a European enemy. While no enemy existed in the Pacific or Asian area, reliance upon the RN to protect Australian interests in transit made up for the limitations to Australian defence spending.

At the same time, the ties of sentiment, tradition, capital inflow and the constitutional situation of Australia made the Empire relationship immensely more complex than a mere defensive alliance. Australians not only received advantages by reason of membership of the British Empire, but also acknowledged a responsibility to contribute to the Empire, particularly in the field of defence.

For a recent discussion of the question of Australian loyalty to protectors, see B. Grant, The Crisis of Loyalty, 1972.
The formation of the RAN has been covered in detail elsewhere. However, the strategic appreciation upon which Australian naval policy was based at the time should be noted.

This assessment was laid down in detail by the 1887 Colonial Conference. The British Empire might be involved in a war with Germany, France or Russia or a combination of one or more of those. The Australasian Colonies might be subject to raids on coastal areas or attack upon shipping at sea by vessels up to the size of cruisers. Raids involving the temporary occupation of territory were considered unlikely and major invasion was considered to be most improbable. A cruiser force with fuelling points around Australia and New Zealand was considered sufficient to protect the Australasian area. Japan, until 1899, was not considered to have developed the capacity to be a possible aggressor. Then, the possibility of raids involving temporary occupation of important secondary areas in Australia was taken more seriously. The spectre of an oriental attack upon Australia was lessened in the short term by the concluding of the Anglo-Japanese Alliance in 1902, but was not wholly overcome.

25 G. Macandie, Genesis of the Royal Australian Navy, 1923; Peakes, White Ensign; and La Nauze, Deakin.

26 Cmd.5091, Proceedings of the Colonial Conference 1887. Arrangements for the Australian Colonies to pay a subsidy to the British Government in return for the stationing of a British cruiser force on the Australia Station were finalized at this Conference. For a discussion of the significance of the Conference, see La Nauze, Deakin, Vol.I Chapter 4.

27 CPP, 1901-2, Vol.II, p.109. Report of Intercolonial Conference on Defence, 1899. The report avoided naming Japan specifically. However, it noted that the nearest defended port from which raids could be launched against Australia was 4,000 miles away, which was a convention for referring to Japan.

Australian attitudes to Japan in the first decade of the twentieth century were based on a mixture of ignorance and fear of the Yellow Peril expressed by adherence to the White Australia Policy. The significance of the Japanese victory over the Russian Baltic Fleet at Tsushima in 1905 was not lost upon the Australian public.\(^\text{29}\) By 1909, however, when the Naval Defence Act was debated, Germany was becoming a more immediate threat and undefined fears of Japan receded into the background. Nonetheless, the increasing size of the Japanese Navy, trained and equipped with help from the RN and British shipyards, remained a matter of concern to the Australian Government.

Australian concern was increased by the withdrawal of British naval units from the Far East. The Admiralty progressively withdrew units of the China Squadron to strengthen the naval concentration in the North Sea in the period from 1910 to 1914. The process so depleted the China Squadron that the CinC Far East was forced to send heavily on Japanese help to hunt Von Spee in 1914.\(^\text{30}\) Creswell was not unaware of the implications of having the first convoy of Australian and New Zealand troops, en route to Britain in November 1914, escorted by a force which included the Japanese cruiser \textit{Ibuki} because other British and Australian units were engaged elsewhere.\(^\text{31}\) The battle cruiser donated to the Admiralty by the New Zealand Government after the naval scare of 1909 (and named after that Dominion) was to have formed part of an Eastern Fleet, but, upon completion, was kept in Home Waters with the consent of the New Zealand Government. There was reason to believe that the battle cruiser \textit{Australia} would also have been retained in Home Waters had she not been owned by the Commonwealth.

\(^{29}\) See D. C. S. Sissons, 'Attitudes to Japan and Defence, 1890 to 1923'. M.A. Thesis, University of Melbourne, 1956.


\(^{31}\) See Creswell's Memoranda to Hughes discussed in Chapter 2.
As it was, Australia's departure for Australia was delayed by one of the many crises of the period. The point was made by the Australian Prime Minister in 1914 that:

the immunity of the Commonwealth should not be left to depend upon the continuance of such a delicate security as an alliance, however desirable and honourable, with a great and friendly power... 32

The concept of concentration of naval force for the protection of vital points was eminently respectable from a strategic point of view. However, it had less than fortunate repercussions, in extremis, for the outposts. Prior to World War I, the Admiralty were able to rely on the Anglo-Japanese Alliance to offset concentration in Home Waters. In that case, Australia was not in serious danger because of the absence of threat from a proximate Power. The converse did not apply in 1939 when the Admiralty relied upon alliance with France to offset the despatch of ships from the Atlantic and Mediterranean to Singapore.

Concentration of RN units in Home Waters prior to World War I also altered Admiralty arrangements for a British Eastern Fleet (assuming that the Admiralty had been serious about going ahead with the scheme in the first place). The scheme was agreed upon by the Admiralty and the Dominions in 1909 and the composition of the RAN was determined on the basis of Australia's contribution to it. 33 By the time the Australian Fleet Unit arrived in Australia in 1913 it was evident that the other sections of an Eastern Fleet would not be stationed in the Far East. The Australian Government resented not having been consulted in regard to the matter

32 PM Australia to Governor General, 28 February 1914. Adm 1/8375/108. The alliance referred to was the Anglo-Japanese Alliance.

33 CPP 1909, p. 149 ff. The British Eastern Fleet was to consist of three fleet Units - the East Indies Unit, provided by Britain; the Australian Unit provided wholly by Australia; and the China Unit provided by Britain to which New Zealand and Canada would contribute specific vessels. HMS New Zealand was to join the China Unit.
and pressed for the early provision of the proposed East Indies and China Units as well as a further conference on naval matters. The Admiralty replied that, while the concept of an Eastern Fleet was still accepted, present circumstances, especially the German Naval Law of 1912, made it necessary to concentrate all available battle cruisers in the North Sea. The Admiralty's point would probably have been admitted by the Australian Government, as is indicated by the ready transference of the RAN to Admiralty control at the outbreak of war in 1914. Nonetheless, the alteration of RN dispositions in the Far East had been made without any form of consultation with, or advice to, the Australian Government. There was no formal requirement for such consultation but its omission was impolitic.

The redistribution of strength was illustrative of the process by which peacetime promises may be either modified or delayed in the face of impending threats.

Good relations between the Australian Government and the Admiralty declined after 1911. The Admiralty reversed their brief policy of support of Dominion navies and remained opposed to the concept of divided control until the 1923 Imperial Conference. The reversal of policy was not stated explicitly but is evident in small issues, not the least of which was the issue discussed above. The decline in good relations was commented upon by astute observers in Britain. Admiral W. H. Henderson wrote privately to Sydenham, the editor of The Times, in February 1914:

34 The Admiralty pointed out that the scheme for an Eastern Fleet had been agreed upon more for the benefit of the RAN than the RN with the implicit rebuke that the Australian Government should bear in mind the defence of the Empire as a whole. Adm 1/8375/108.
I feel there is a rift, which if the 1909 policy is not honestly and boldly reverted to, will widen. My views are independent of my brother, Sir Reginald Henderson, though I know he holds the same opinion.

Friction also arose over the Admiralty's becoming apparently uncooperative in lending officers to the RAN. During 1912 the Admiralty proposed to lend officers from the Royal Naval Reserve and the merchant service rather than from the Active List of the RN. Admiral King Hall, CinC Australia Station, wrote privately to Prince Louis of Battenberg:

> Our people at home, I fear, hardly realise the political position out here. How touchy they are at any imagined infringement of their national autonomy and how important it is to help them in every way, regarding naval matters. So by letting them have the shadow, we have the substance, of Imperial Defence.

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35 W. H. Henderson to Sydney, 21 February 1914. Henderson Papers, National Maritime Museum (NMM). W. H. Henderson was at the time editor of *Naval Review*. His wife was Australian. He had spent many years of his service career in the Dominions and had visited Canada, Australia and New Zealand in 1911-12. His brother made an official report to the Australian Government in 1911 upon the future naval policy of the Commonwealth which will be discussed later.

36 King Hall to Battenberg, 2 July 1912. Naval Papers of Prince Louis of Battenberg, No. 130. Imperial War Museum, (IWM). King Hall remained in command of the Australia Station until the arrival of HMA Fleet Unit in 1913. He also acted as intermediary between the Admiralty and the Australian Government. Prince Louis was Second Sea Lord at the time.

Dominion naval service attracted few who had secured a footing on the ladder of promotion at Home. Experience had shown that loan naval service under Colonial Governments had little of the solid benefits and security of Admiralty service under prominent officers in command in Europe, and none of the financial and other attractions often secured serving foreign naval powers.

However, the overall effect of the problems between the Australian Government and the Admiralty was marginal in spite of the resentment caused in Australia at the time. The RAN reaped very considerable advantages from its close association with the RN. Australia was able to acquire not only modern ships from British yards, but also officers on loan from the RN until sufficient Australian officers could be trained and could gain experience at all levels. When HMA Fleet Unit arrived in Australian waters in October 1913, the RAN became at once a respectable force instead of having to be developed over many years. Reliance upon RN resources also reduced many overheads connected with establishing a new service which would have otherwise been borne by the Australian Government.

The presence of the battle cruiser Australia, as well as the light cruisers Sydney and Melbourne, made the Fleet Unit respectable even to the uninitiated. The fact that the Fleet Unit was apparently self-contained as a fighting force gave credence to the Government's claim to the RAN's being Australian. The fact that the equipment was not only newly built but was also of the latest design resulted in HMA ships being welcomed into RN commands during World War I as significant contributions rather than being accepted as second-grade units which were more trouble than their worth. Moreover, the Australian Government's acceptance of Admiralty advice regarding the foundation of the RAN helped to mitigate British reserve towards the RAN as a 'colonial service' and was an important element in gaining continued Admiralty support.

Admiralty blessing was important from the point of view of morale and prestige as well as equipment and the loan of officers. As will be shown in subsequent chapters the professional competence of RAN officers and ratings was generally high, sometimes exceptional. In contemporary values, commissioned rank in the RAN was regarded as a desirable vocation and was socially prestigious. The close relationship maintained between the RN and the RAN offered considerable scope for service in Britain and overseas, and
ensured a high standard of officer entrant. Consequently, when the Fleet Unit was transferred to Admiralty control at the outbreak of World War I, the esprit de corps of the RAN was good and there was a strong sense of being distinctively Australian at the same time as being an integral part of the naval forces of the Empire. At the same time, the connection of Australian naval policy with defence of the Empire, as well as the close relationship between RN and RAN provided the opportunity for Australian naval policy to be based upon a world-wide outlook instead of a narrow preoccupation with Australian coastal waters.

The relationship with the RN, however, had its disadvantages. The benefits and attractiveness of the relationship as well as its exclusiveness on the Australian side added to the requirements of a sophisticated Fleet Unit, and this contributed extensively but subtly to Australian dependence upon the Mother Country, as the thesis will show.

In sum, the RAN at its establishment was heavily dependent on the RN and reaped considerable benefits from the relationship. This theme is central to Australia’s part as a developing Dominion within the Empire relationship. An increasingly self-reliant Australian stance was directly related to the diminution of British influence over Australian perceptions and policy. In that diminution, Australian naval policy was a conservative element. At the beginning of the period of this thesis, although the Australian Government had paid for the ships, the RAN was dependent upon the RN for half the lower deck and most of the officers needed to man the Fleet Unit, for advice ranging

from minutiae to matters of policy, for support and maintenance facilities apart from Garden Island, and for instruction at every level of the service, as well as intelligence and other information. RN methods and traditions were transferred almost in their entirety. The lack of an indigenous Australian maritime tradition gave little hope that a less excessively dependent position would be developed in the near future, despite the differing strategic situations.

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38 In 1910 Admiral Sir Reginald Henderson was invited to advise the Australian Government on details relating to the establishment of the RAN and upon the direction which future policy might take. The Recommendations by Admiral Sir Reginald Henderson, K.C.B., were presented to the Prime Minister on 1 March 1911 before the Australian Delegation left for the Imperial Conference in London. CPP, 1911, Vol.II, p.87 ff. See also Jose, 1914-18, Navy, pp. xxxii-xxxvi. The Recommendations covered every aspect of the formation of the service and contained a special Appendix on 'Control and Administration' in which Henderson commented at considerable length on the relationship between the Naval Board and the Minister.
CHAPTER TWO

INTRODUCTION II:
EFFECTS OF WORLD WAR I UPON AUSTRALIAN NAVAL POLICY

The outbreak of European war on 4 August 1914, ten months after the arrival of the Fleet Unit in Australia, put Australian naval policy to the test before the RAN had time to settle down to a working routine. During World War I the relationship between the RN and the RAN was worked out by practical experience so that by the beginning of the inter-war period the doubts and queries, which had existed prior to the war regarding the RAN, were answered by its performance. However, the test of battle and the long periods between action revealed not only the professional qualities of HMA naval forces but also the efficiency of the administrative system established to sustain them in their function. The war also revealed the sagacity of the political leaders who were responsible for decisions affecting the service, the maturity of the nation which provided the RAN's raison d'être, and the effectiveness of the Empire relationship in meeting Australia's needs.

At the diplomatic level, the Pacific campaign emphasised from the outset the extent of Admiralty dependence on the Anglo-Japanese Alliance. It is now evident that, despite Jerram's China Squadron and the Australian Fleet Unit in the Pacific area, the deciding
factor in von Spee's movement toward the eastern Pacific was the entry of Japan into the war. Although this was not fully appreciated in Australia at the time, it was obvious that there were not sufficient Imperial naval units available to convoy troops and hunt von Spee at the same time. The Admiralty had arranged with the Japanese Navy under the Anglo-Japanese Alliance for the area to the north of Australia, normally covered by the China Squadron, to become the responsibility of the Japanese Navy at the outbreak of war. Had the Japanese Navy not been made available to take over the China Squadron's responsibility, the Admiralty's policy of concentrating heavy modern units of the RN in Home Waters would have left British naval defence of the Pacific dangerously thin. Commerce and raiders absorbed many times their number of ships in the hunt for them.

1 The combined British and Australian strength, if HMAS Australia were excepted, was not 'absolutely unfavourable' to the German Pacific Squadron. Von Spee intended to stay in the area, but avoid action with HMAS Australia as long as possible. Japanese entry into the war, however, was a contingency he was not prepared to meet and, if faced with it, he intended to withdraw. *Jose, 1914-18, Navy*, p.25.

2 *Jose, op.cit.*, pp. 121-122. It was by no means certain at the outbreak of war on 4 August 1914 that Japanese naval forces would be made available. Japan did not declare war until 23 August 1914. See *Wish, 'Admiral Jerram*', p.419. The limitations of Japanese cooperation were not fully realised in Australia during World War I. In an incisive Minute in 1921, E. L. Piessse, Head of the Pacific Branch of the Prime Minister's Department in Australia, noted the Japanese press was using Japanese naval cooperation during the war as an argument to modify the White Australia Policy. Piessse outlined the limitations of the Japanese naval contribution and gave evidence of Japanese reluctance to help on several occasions later in the war when help was urgently requested. Piessse noted anti-British sentiment displayed by the Japanese papers in the latter stages of the war and made the point strongly that Japanese help which had been given carried its own obligation. CAO, MP 1049, Series 1, item 20/0468.
By the end of World War I it was clear that, if Britain were committed to another European war, the resources available to defend Australia in a coincident war in the Pacific would be severely limited, even if Britain possessed a fleet of two Power standard. The scheme of Empire defence was built upon the premise of the primacy of the Mother Country in a European conflict and the Pacific campaign was clear indication of the difficulties which the Empire would face in the event of a multiple threat. The lesson was not lost upon individual leaders.

W. M. Hughes was perhaps the most convinced of all Australian federal politicians of the need to maintain a maritime capacity as part of an independent Australian policy within the Imperial system. His purchase of cargo

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3 Reports of German raiders in the Indian Ocean in 1916 led to an Admiralty request to the Japanese Government to send a cruiser squadron to operate in the area and to patrol the Malacca Strait. Governor General to Prime Minister, 9 February 1916. CAB, CP 447/1, item SC160. The Admiralty were so hard pressed for cruisers in 1917 that informal enquiries were made in Tokyo as to the possibility of buying or borrowing two battle cruisers from Japan. Adm 167/53. Board of Admiralty, Minutes of Meetings 23 August 1917 and 22 November 1917. The Japanese Government refused to either lend or sell such vessels to Britain. This proposal was not known in Australia at the time. However, sufficient information existed in Australian departmental records by the end of World War I for the limitations of British strength to be obvious to the Government. When the naval volume of the Official History of Australia During the War of 1914-1918 was published in 1928, sufficient material was also available to the general public in Australia to indicate that Britain had been taxed to fight one maritime nation despite alliance with France and Russia and despite possession of a navy ostensibly rated as 'Two Power Standard'.

vessels for Australia in 1916, his establishment of the
Australian Commonwealth Shipping Board in 1917 and his
support for a shipbuilding industry in Australia all reveal
his understanding of Australia's maritime weakness, while
his statements to Parliament consistently illustrate his
awareness of the importance of sea-power and the ultimate
dependence of Australia upon the RN.  

Hughes' primary method of overcoming the problems of the
Australian situation was to press strongly for
extensive Dominion participation in the formulation of
Imperial policy. In 1918 Hughes was concerned with
strategic matters. At the Imperial War Cabinet in June
1918 Hughes charged that Australia had poured men and
machines into the war with heavy losses but had never had
'a scratch of a pen to explain what had already happened'. At
that point Hughes wanted an enquiry on strategy and
leadership. Before the same body in July he moved a step
further. In discussion on a paper regarding
communications within the Empire referred to the Imperial
War Cabinet by the Imperial War Conference, Hughes wished
to amend the existing relationship to provide direct

5 See E. Scott, Official History of Australia in the War
of 1914-18, Vol. XI, Australia During the War.
Chapter XVIII, Shipping.

6 See quote from Hughes' Ministerial Statement on Defence,
9 September 1920, CPD, Vol. XCI, p. 4392.
L. F. Fitzhardinge, in an interview with the author,
attributed Hughes' appreciation of maritime affairs to both
his early experience as an advocate for the waterfront
unions and his association with the Royal Commission on the
Navigation Bill in 1904. See Fitzhardinge, op.cit.,
Chapters VII and XI.

7 Cab 23/41, Imperial War Cabinet, 19th Meeting,
20 June 1918.
contact between the British and Dominion Prime Ministers. 8

The matter was finally settled by a resolution which
stated:

1. The Prime Ministers of the Dominions, as
members of the Imperial War Cabinet, have
the right of direct communication with the
Prime Minister of the United Kingdom and
vice versa.

2. Such communications should be confined
to matters of Cabinet importance. The Prime
Ministers themselves are the judges of such
questions.

3. Telegraphic communications between the
Prime Ministers should, as a rule, be
conducted through the Colonial Office
machinery, but this will not exclude the
adoption of a more direct means of
communication in exceptional circumstances. 9

However, this solution was only to apply while the Imperial
War Cabinet existed (vide point 1 above), and the Colonial
Office was quick to reassert its place in the system with
the demise of the Imperial War Cabinet. Nevertheless,
Hughes had established the precedent and part of the lever
which he used to achieve his point was the RAN's contribution
to the War.

8 The formal channel of communication which existed until
1926 was for all Australian material addressed to the British
Government to be sent to the Prime Minister's Department.
It was then transmitted to the Governor General and was
despatched to the Colonial Office (later to the Dominions
Office) under his imprimatur. Material for the Australian
Government was passed in reverse mode. The system was
cumbersome and allowed communications to be affected by
inter-departmental relationships. At the Australian end this
system added to the already firm grip of the Prime Minister's
Department on matters affecting both External Affairs and
Defence.

9 Cab 23/41, Imperial War Cabinet, 20th Meeting, 30 July
1918. A second part to the resolution called for the
Dominions to leave a Minister in London to be a permanent
channel of communication when the Imperial War Cabinet was
not in session. This idea was later taken up by S. M. Bruce
who appointed R. G. Casey to a specially established
position in Hankey's Cabinet secretariat. See Chapter 5.
The contribution of HMA naval forces, added to the much larger contribution of the AIF toward the Empire's war effort, was to be the foundation of Hughes' stature at the Paris Peace Conference. In the in-fighting and jockeying for influence which occupied the early days of the Preliminary Peace Conference, the respective national 'Butchers' Bills' were a determining factor in the question of the numbers of delegates each nation would have and the political weight of the respective delegates in terms of membership of the various committees and commissions. Australia's sacrifice in dead and wounded, and the credit built up with British political leaders through the wholehearted (though not uncritical) cooperation in the Empire's war effort, gave Hughes a suitable position from which to use his undoubted gifts to pursue Australia's interests. Once the initial jockeying was settled, results depended to a greater extent upon the personal ability of the various delegates but even in the latter stages of the Conference, Australian prestige within the Empire gained for Hughes vital support in what he regarded as crucial issues. 10 Hughes' confrontation with Lloyd George over President Wilson's opposition to the New Guinea Mandate is one case in point. 11 The dangers apprehended by Hughes for the White Australia Policy by the Racial Equality Clause were narrowly averted through the ability of Hughes to marshal outside support. Hughes was well aware of the intense Japanese feeling in regard to the White Australia Policy. 12 His advocacy of the policy in the face of that feeling relied directly on the strength of

10 See M. P. A. Hankey, The Supreme Control at the Paris Peace Conference, 1919, Chapter V.
12 Hughes, Policies, pp. 244-248. Baron Makino left Hughes under no doubts of the strength of Japanese sensitivity on the matter.
Australia's position as a member of the British Empire.13

At the time of the Peace Conference the RN loomed magnificently in the background, vindicated and victorious. The RN emerged from the war, despite the loss of 230 vessels (most of them small) as still the foremost naval force in the world.14 Notwithstanding the inactivity in which the Grand Fleet had languished after Jutland and the very indecisive nature of the actual battle, the RN, was to outward appearances, an awesome organization. The war effort in the building of new ships had been prodigious.15

'Australia, as a portion of the Empire, was powerful enough to induce the Conference to support its national policy. Australia outside the Empire would, although the nation were armed to the teeth and prepared to fight to the last ditch for what it believed essential to its national existence, have failed to turn the Conference from what was only too obviously its settled purposes.'

14 At the end of World War I, the strengths of the maritime Powers were:

<table>
<thead>
<tr>
<th></th>
<th>Great Britain</th>
<th>United States</th>
<th>France</th>
<th>Germany</th>
<th>Japan</th>
<th>Italy</th>
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<tr>
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<td>20</td>
<td>40</td>
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</tr>
<tr>
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<td>5</td>
<td>7</td>
<td>-</td>
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<tr>
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<td>21</td>
<td>3</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Light Cruisers</td>
<td>90</td>
<td>19</td>
<td>8</td>
<td>32</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Flotilla Leaders</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Destroyers</td>
<td>443</td>
<td>131</td>
<td>91</td>
<td>200</td>
<td>67</td>
<td>44</td>
</tr>
<tr>
<td>Submarines</td>
<td>147</td>
<td>86</td>
<td>63</td>
<td>162</td>
<td>16</td>
<td>78</td>
</tr>
<tr>
<td>Aircraft Carriers</td>
<td>4</td>
<td>-</td>
<td>-</td>
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<tr>
<td>&amp; Seaplane Tenders</td>
<td>4</td>
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</tr>
</tbody>
</table>

S. W. Roskill, Naval Policy Between the Wars, p.71. British figures include HMA ships.

15 During the war the Admiralty had built:

15 Battleships
5 Battle cruisers
28 Light Cruisers
110 Submarines
Over 300 Destroyers and Torpedo Boats.

F. J. C. Hearnshaw, Sea Power and Empire, p.247.
Admittedly, the disbanding of crews and decommissioning of vessels had begun in 1918, but the process was a normal one at the end of a war and there were few indications in 1919 of the serious reductions which the RN was soon to experience. Nevertheless, Hughes may not have been as vociferous in his advocacy of the White Australia Policy had he been aware that the RN would be reduced to a level from which it might be unable to protect Australian interests.

Australia's rank at the Peace Conference, justified by the war effort and supported by the advantages of being one of the four Dominions of the British Empire, was in many ways that of a Great Power by proxy. Hughes, the Prime Minister of a nation of five million people, bargained from a position of strength, daring to oppose the President of the United States on an issue the President had publicly stated he would leave the Conference over if he were not given his way. As a result of this power on the world stage, Australian leaders were under added pressure to support the Empire in order to maintain it. Moreover, there was the temptation to aspire to a larger part in international affairs than could be supported by Australia's own resources or defence capacity.

Turning to the subject of relations between the Australian and British Governments, it is evident that the Australian Government earned a grudging respect from the Admiralty by the end of World War I, which made easier the acceptance of Dominion fleets from 1923 onward. The relationship was strained prior to the outbreak of war, as has been shown. However, once hostilities threatened, the Australian Government acted with alacrity in offering to transfer control of the Fleet Unit before it was requested by the Admiralty. Admittedly, the Australian Government did force alteration to the schedule of the first troop convoy in October 1914 because of insufficient escorts between Auckland and Fremantle while the Fleet Unit was escorting the landings in the German colonies. However, in all other
respects the proposed dispositions of the Admiralty were agreed to by the Australian Government. 16

Nevertheless, the Admiralty's attitude toward the Australian Government was not consistently favourable throughout the war, nor was it to be without reserve during the inter-war period. The Admiralty were perturbed by several aspects of the Australian Government's naval policy. In particular, the Admiralty were most dissatisfied by the structure and working of the ACNB. In considering a request early in 1914 for an RN Flag Officer to be appointed on loan as First Naval Member, the Admiralty Staff noted:

...presumably the settlement of Admiral Creswell's future has not been easy, and the recent debates have disclosed a very unsatisfactory state of things in the relations of the various members of the Board to each other and in the manner in which the work of the Dept. was administered. 17

16 Jose, 1914-18, Navy, pp. 150-157. The Australian Government was under considerable pressure to act in accordance with the doctrines of sea power which had been impressed upon it at Imperial Conferences, by King Hall and other RN officers, and by Creswell and the ACNB. At the same time the Australian Government was aware of the general scepticism which had been shown from time to time from various quarters regarding Australian control of the Fleet Unit. Doubts had been especially cast on the willingness of an Australian Government to release the RAN from a close defence of the Australian coast for operations overseas. The suspicion had also been voiced that the RAN would first be used by an Australian Government to capture German colonies regardless of wider naval strategy. See Jose, op.cit., p. 47. It was ironic that it should have been the Admiralty, not the Australian Government, which overrode Peat's dispositions and ordered the Fleet Unit to cover the landings in German New Guinea. Jose reflects the Australian Government's concern to act in accordance with the doctrines impressed upon it when he records, with evident pride, of the Fleet Unit's activities in Home Waters:

They had toiled under the eyes of the Empire's best Admirals in the very centre of the naval war. Primarily Australian, and persistently Australian, they had taken their full share of Imperial tasks, and everywhere upheld the honour of the country which gave them being and owned them.

op.cit., p.335. Jose conveniently overlooks the high proportion of RN personnel in the Fleet Unit.

17 Adm 1/8368/40.
Hence the Admiralty's reply to the Australian Government that the nature of the position assigned to the First Naval Member would affect their ability to find 'an officer of the highest merit' which, they felt, the ACNB needed at that point in its development. The Admiralty's dissatisfaction with the current ACNB is evident in their comment:

That position would be satisfactory if the Naval Board were organised on the same principles as the Board of Admiralty, in accordance with the recommendation of Admiral Henderson in this respect which they understood had been adopted by the Commonwealth Government. Lords Commissioners of Admiralty have followed with close attention debates in Commonwealth Parliament on removal of Second Naval Member...18

The propensity of Australian Governments to become involved in the details of naval administration caused the Admiralty to treat both the ACNB and successive Australian Governments with reserve. The Admiralty's perturbation gave rise to a dual policy on the part of the Admiralty whereby considerable attention was paid to ensuring high standards in Australian personnel and material but very little scope was given for Australian participation in policy formulation or for Australian strategic control during the inter-war period. Obviously there was an initial reserve toward Australian institutions as a result of Australia's colonial origins. Reserve also existed because of the Admiralty's opposition to Dominion navies. Consequently, any additional reason for reserve only served to make more difficult the growth of frank dealing between British and Australian institutions at all levels of naval policy.

18 S of S for Colonies to Governor General, 23 February 1914. ibid. The Governor General replied a fortnight later that his Ministers had reconsidered the position and wished to withdraw their request. Admiral Sir Reginald Henderson had privately advised the Admiralty:

...it would be desirable that an Admiral should not be nominated by the Admiralty at the present...Apparently things politically and navally are in an uncertain condition...

An undated and uninitialled note across the bottom of the Admiralty file reads: 'The Constitution of the Naval Board is so unsatisfactory that we can only reply to the C.O. that S.L.'s have received this communication with regret'.
At a more specifically service level, integration of HMA ships into RN units increased the desire of the Admiralty to retain control of Dominion naval forces in time of peace. The First Sea Lord, Admiral Sir Rosslyn Wemyss\(^{19}\) argued before the Imperial War Cabinet on 27 June 1918 that naval strategy could be determined only by a central authority and it was impossible to direct it from a number of widely scattered centres.\(^{20}\) Although Wemyss claimed that his ideas were presented to the meeting primarily to stimulate discussion on the subject, the Admiralty were very much in favour of a single Imperial navy in time of peace. In May 1918 the Admiralty presented a paper to the War Cabinet setting out a scheme for central control of the naval forces of the Empire.\(^{21}\) The Prime Minister of Canada replied in a Memorandum to the Admiralty in August 1919 in which he claimed to represent the other Dominions in opposing the Admiralty proposal. He used the RAN as a successful example of separate control in time of peace not detracting from unified control in time of war.\(^{22}\) The Admiralty agreed not to pursue the point at the time but did not relinquish their ambition of unified control in time of peace until the Dominions made it clear at the 1921 Imperial Conference that they were not prepared to consider the scheme. It was not until 1923 that the Admiralty finally came to terms with the continued existence of Dominion navies.

Service of HMA ships in Home Waters also helped to reinforce in Australia the strategic theory of the Blue Water school, in particular the concept of 'the fleet in being'. The effectiveness of the Grand Fleet in keeping the German High Seas Fleet in its bases was taken as a classic

\(^{19}\) First Sea Lord, 10 January 1918 to 1 November 1919.  
\(^{20}\) Adm 1/0520/103.  
\(^{21}\) Adm 167/53, Board of Admiralty, Minutes of Meeting 23 May 1918.  
\(^{22}\) ibid. Minutes of Meeting 29 August 1918.
example of the concept in practice. The caution which an enemy would be forced to adopt by the mere existence of a rival fleet was shown by this example to be considerable. However, there were certain prerequisites in the successful application of the concept which tended to be overlooked during the inter-war period; viz., that the assumptions upon which the enemy's strategy were based were similar to one's own, that the 'fleet in being' was of a scale capable of defeating the enemy and that the fleet was based close enough to important areas to be brought into action at the critical moment. The success of the Grand Fleet as a 'fleet in being' tended to overshadow those prerequisites and later resulted in a too ready acceptance of the concept when it was applied to the Singapore base.

One of the few public figures who sensed the problems which could arise from the 'fleet in being' concept was Creswell. Creswell believed that although the seas were one, the ability of the RN to provide for the ultimate defence of Australia depended not so much upon ships' capacity to steam the distances involved, as upon the British Government's preparedness to send the ships. In a three-part memorandum sent to Prime Minister W. M. Hughes in December 1915 Creswell argued that the 'seas are one' doctrine depended upon the fact that prior to the twentieth century all the great naval Powers bordered on the Atlantic Ocean or one of its inlets. Recent events had made qualification of the doctrine necessary:

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23 In 1916 Creswell did not envisage the RN being reduced below a level where it ceased to have the capacity to uphold its widespread responsibilities in a multi-theatre war. However, he was not unaware that, even with its war-time strength, the RN would have had great difficulty in defending Australia against Japan had such a situation arisen where that was necessary.
that a new naval Power has arisen with its headquarters in the Pacific Ocean - clearly invalidates the "unity" doctrine and introduces the situation in the Pacific as at any rate separable from that in the Atlantic. 24

Creswell emphasized the growing importance of the Dominions and warned of the continued British adherence to the concept of concentrating strength at the centre, if necessary, at the expense of the extremities. That idea, he felt, had long since been formally abandoned in regard to naval defence of the Dominions; yet, he warned, it still persisted 'in some high quarters and coloured some departmental traditions'.

In terms of development of the RAN, active service experience was valuable, especially the experience gained from working as an integral part of the RN. 25 An awareness of the global nature of naval warfare was deeply

24 Secretary, Department of Navy to Secretary, Prime Minister's Department, 21 December 1915. 'Report on a Defence Policy for Australia'. Part I, p.4. Papers of W. M. Hughes, held by Mr L. Fitzhardinge, Australian National University.

25 The dispersal of the Fleet Unit highlighted the diminutive size of the RAN. In 1916 the Admiralty drew the Australian Government's attention to the fact that the transfer of Melbourne and Sydney to the North Sea had left Rear Admiral Patey as RACAF with no Australian ships under his command. As Patey had already exceeded the stipulated three years of his appointment, the Admiralty suggested conferring the title on Admiral Pakenham who was already flying his flag in HMAS Australia as C in C Second Battle Cruiser Squadron in the Grand Fleet. Transfer of the title was purely a device to keep the title alive. It was suggested that the Australian Government should decide what additions to make to Pakenham's table money and emoluments. Adm 1/8548/8. The only vessels left in Australian Waters when the Fleet Unit was removed were two old cruisers, Pioneer and Encounter, the gunboat Protector, and auxiliary vessels. The small number of ships possessed by the RAN had considerable influence upon the development of the service in the inter-war period. However, the RAN contribution to the RN during the war had little effect upon the RN beyond adding ships of specific classes to various areas. The RN was large enough and sufficiently diverse in the types of ships it possessed to assimilate the elements of the Australian Fleet Unit without being affected by them.
ingrained in the collective memory of the RAN at this time. A tradition of excellence within the service was established and an *esprit de corps* was fostered by Australian officers and men meeting the exacting standards of the RN. The compliments paid to the company of HMAS *Australia* on the occasion of the King’s visit on 26 June 1919 were not mere matters of form. Admiralty records indicate in several places the regard which Australian ships won from the RN.²⁶

However, the direct value of the benefits gained by the RAN from being integrated into the RN for the duration of hostilities should not be exaggerated. Less than half the personnel of the Fleet Unit at the outbreak of war were Australian and the Unit was commanded predominantly by RN

²⁶ In this context, the qualification that HMA ships contained a considerable proportion of RN loan personnel was generously left unstated. The offer of modern destroyers and submarines to Australia as a gift at the end of the war emphasises the RAN’s high reputation. The gift was not occasioned merely by a desire to be rid of surplus equipment, though the gift would have eased the Admiralty’s problems in that regard. Nor were the compliments occasioned solely by a desire for political capital. Admiral Sir Rosslyn Wemyss wrote to the First Lord, Sir Eric Geddes, on 3 January 1919: ‘...in view of the fine part which Australia has played in the war, and particularly the readiness with which she has accepted every Admiralty request as to the employment of her ships, the Board of Admiralty suggest that it would be desirable to make a free gift to her navy of six modern destroyers and a flotilla of six submarines. The Director of Plans minuted the bottom of the file ‘...it would be a greater compliment to present Aust. Govt. with new destroyers’. Adm 1/8548/7.
officers. Most of the personnel on loan during the war reverted to the RN during the war or shortly afterwards. Although by the end of the war the lower deck was almost entirely Australian and remained so thereafter, the upper deck was still predominantly British. The first intake of cadets into the Royal Australian Naval College (RANC) entered the College in 1913 and did not reach Britain in time to take part in the Battle of Jutland.

The most significant benefits of RAN service with the RN in Home Waters lies in the less direct areas of tradition established, self-confidence gained, and credibility established with the Admiralty and British Government. As a result of this the RAN had unfettered access to tactical and material developments of the RN during the inter-war period and RANC graduates continued to undertake their post-graduate training in Britain. The officer exchange scheme, RN officers and senior ratings on loan, attendance of RAN personnel at RN schools and the inclusion of HMA ships on the circulation lists for RN manuals and technical material all provided the RAN with access to the expertise of the RN. It is debatable whether such

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27 Of the 2,244 officers and ratings required for the Fleet Unit in 1913, 763 were active service personnel on loan from the RN, 461 entered from other Imperial services, 357 entered from the Commonwealth Naval Forces, and 663 were recruited in Australia. The figure of 1,020 Australians given as the Australian proportion of the total looks impressive until the figures for commissioned officers are examined. Of the 1,020 Australians only 32 were commissioned officers. CAO, WP 472, item 5/13/2332A. The exact figures for service numbers vary slightly from report to report but the point remains that the Fleet Unit was commanded predominantly by RN officers.

28 In answer to my question as to the extent of British technical information made available to the RAN, Admiral Showers wrote:

My experiences during the period between World Wars I and II did NOT subscribe to the theory that information was withheld from the RAN by the Admiralty. I served with the RN on exchange on three occasions, 1923-25, 1927-30 and 1934-36. Being a Navigation specialist and my appointments to the Senior Officer's ship on each occasion namely 1st Minewooping Flotilla,

(cont.)
facilities would have been so freely available had the
Australian Government refused to allow HMA ships to serve
overseas.

There were also disadvantages in HMA ships being
integrated in British formations and these were to have
unfortunate long-term effects. Once operational control of
HMA ships had been passed to the Admiralty on 10 August 1914
there remained very little Australian content in the RAN's
contribution to the War Effort. The Admiralty continued to
observe the formality of seeking permission from the

1st Submarine Flotilla, and Flagship 3rd Cruiser
Squadron, necessitated that I was fully informed on
all tactical manoeuvres and weapon capabilities.
All manuals available to RN ships were equally
available when I served in HMA Ships. Constant
exchange service between RAN and RN officers ensured
that they were completely inter-changeable - if
vital information had been withheld the Admiralty
would also have cancelled the exchange service of
officers and ships...

The distinction should be noted here between technical
information published in Admiralty manuals and highly secret
intelligence, which will be discussed subsequently. In the
early 1920s the RAN shared in the development of equipment
which, in some cases, was in the forefront of technological
advance. See for example arrangements made in 1919 for
HMA ships to be included in Admiralty Orders for ships in
their classes. CAO, CRS A2585, item 2, Naval Board,
Minutes of Meeting 18 August 1919. See also arrangements
made for the Admiralty to supply the ACNB with monthly
progress reports from the Admiralty Experimental Station,
Shandon, and also any other special reports which might be
drawn up. CAO, CP447/3, item SC 15 [40]. HMAS Sydney was
one of the first cruisers to be fitted with launching
platforms to enable Captain J. S. Dumaresq, who took command
on 2 April 1917, to continue his experiments using aircraft
and light cruisers against Zeppelins. Jose, 1914-18, Navy,
p. 294. The experiments led to other cruisers being fitted
with launching platforms and began a long, though often
frustrated, interest by the RAN in the use of aircraft.
Lessons from wartime experience especially applicable to
the RAN were the use of cruisers against raiders, the
importance of convoy both against surface units and
against submarines, the use of aerial reconnaissance and
methods of defence against attack from aircraft and
submarines.
Australian Government before any major shift was made in the dispositions of HMA ships. However, Admiralty operational control of the ships was unqualified even while the Unit was operating in the Pacific. The ACNB was cast in the role of national harbour-master and provider of reserves. In the arrangement marked out between 1911 and 1914, the ACNB would:

be placed in the position with regard to the Admiralty, of a Naval Commander in Chief at a British port and would take orders direct from the Admiralty, informing the Commonwealth Government of those orders.

The ACNB was divorced from all but the oldest of the Australian ships, which remained in Australian waters for local defence. The ACNB was not a part of the chain of command, though the Board was used as a channel of communication between the Admiralty and the Australian Government.

In the words of the Official Historian, the ACNB 'occupied rather an anomalous position'. The only other comment on the ACNB's position made by Joss is that while divided responsibilities provided unlimited opportunities for friction, the system, in fact, worked quite well. This, however, is not the whole story, for the divorce of the ACNB in Melbourne from operational command of the Fleet Unit while it was operating in the Pacific had unfortunate repercussions in two ways.

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29 There are several items of correspondence in the papers of Admiral W. R. Henderson which are critical of Admiralty wisdom in keeping strict central control of detailed fleet movements throughout the war. Contrast was made with the methods of the General Staff who left a large amount of discretion to field commanders. Correspondents also discussed with Henderson the lack of an efficient Staff system at the Admiralty. Henderson Papers, HSN/2/1 to 9, HMM.

30 Joss, 1914-18, Navy, p.7. The ACNB continued to finance the upkeep of the ships and provided for crews to be maintained.

31 ibid., p.8.
Firstly, divorcing of Australian naval administration from operational command of the Fleet Unit meant that the relationship between the RAN and the Australian Government was not leavened by experience. The dividing lines between the responsibilities of Parliament, the Minister, the Department of the Navy, and the service advisers are tenuous, subject to flux according to the personalities and situations involved. The lack of Australian precedent in naval administration rendered the situation more rather than less subject to flux. 32 In Britain the very size of the Navy provided a cushioning effect between political power and service administration. In Australia the diminutive size of the Navy allowed service administration to be more easily affected by political issues, hence the need for the evolution of some cushioning machinery. The experience of World War I did not produce such an evolution with the result that the relationship, especially between the ACNB and the Government, remained a source of concern to the Admiralty, as has been indicated above.

Secondly, divorcing the Australian Government from active command beyond the Australia Station gave no opportunity for the somewhat distorted Australian concepts of naval defence to mature. By 1919, Australian concepts centred upon defence of the local area, in which the Tasman Sea and Great Australian Bight were emphasised, and

32 Henderson, in an appendix to his Recommendations, entered into a long argument in favour of increasing the authority of the ACNB at the expense of Ministerial power. He admitted, however, that experience would be an important factor in settling the relationship:

I recognise that there is a great difference between the conditions as regards the Naval Forces in the Mother Country and the Commonwealth; in the former the Navy and the Board of Admiralty have been established for a long period, and have stood the test of time and experience; in the latter both the Navy and its controlling authority have to be created and must necessarily be experimental.

contribution of individual units to supplement the Mother Country's formations. The individual nature of the latter perception was undoubtedly fostered by the splitting up of the Australian Fleet Unit among various British Stations once it had departed from the Pacific. This was justified in terms of overall strategy and its benefits for HMA ships have already been noted, but its effect on Australian concepts of defence must be appreciated as those concepts were, in turn, to affect Australian naval policy in the inter-war period. World War I gave Australian leaders little appreciation of the strategic importance which the area to Australia's north was later to assume.

Thirdly, divorcing HMA ships from Australian naval administration resulted in the RAN having little opportunity to test the machinery of naval administration in terms of its primary function, viz., to control the HMA naval forces in action against the enemy. This detracted from the evolution of the relationship between the ACNB, the Chief of the Naval Staff and the Flag Officer commanding the Australian Fleet, and led to problems in the inter-war period. It also contributed toward the tardy formation of a Naval Staff and especially hindered the establishment of an effective intelligence division. Furthermore, the

33 In Britain the system had evolved over centuries of experience. The distinction between the two roles was reasonably clear and understood by the Navy as well as the Civil Service. It was thus possible in Britain to emphasise the totality of the central naval organization by using the term 'Admiralty' and to leave interpretation of the term to the particular situation in which it was used. Signals were sent 'Admiralty to...' which meant 'CNS to...'. In Australia no such term was found. The building housing the organization in Melbourne was called 'Navy Office' but connoted administration rather than the operational direction of the service. Signals were sent 'ACNB to...' which tended to confuse the functions of Naval Board and Naval Staff.

34 A Naval Staff was not established in the RAN until 1920 when the officers were appointed to form a staff. CAO, MP1049, Series 1, item 1920/0252. Second Naval Member to First Naval Member, 16 September 1920. The title Chief of the Naval Staff (CNS) was not used until after the 1923 Imperial Conference. See Roskill, Naval Policy, p. 403.
lack of emphasis upon Australian command of HMA ships beyond
the confines of the Australia Station reduced Australian
initiative towards defence of the Indian and Pacific Oceans
and the archipelagoes to Australia's north, and it reduced
the area for which subsequent Australian Governments felt
obliged to provide forces. Australian acceptance of a
limited responsibility within the Empire defence scheme was
thus less critical than it might have been.

The period in which the Fleet Unit operated in the
Pacific could have been used to provide an opportunity for
the Navy and its controlling authority to work out a
relationship best suited to the efficiency of the service.
As it was, the ACNB remained without great status. The
Prime Minister's Department gained a primacy in naval
matters, which lasted throughout the inter-war period, by
reason of being the chief clearing point for Imperial
communications and by reason of the Prime Minister's role
as Dominion representative within the Empire framework.
With the destruction of von Spee's Pacific Squadron the
Admiralty was able to move the Fleet Unit from the Pacific
and disperse HMA ships among RN units nearer the war. HMA
ships left the Pacific early in 1915, without first
returning to Australia, and remained away from Australia
until mid-1919. Their movements are described in the
Official History.\footnote{Jose, 1914-1918, Navy. Jose avoids analysis of the
effects which this dispersal had upon the RAN. He confines
himself to correcting mistaken impressions about the
responsibility for the use of the Fleet Unit against German
colonies in the Pacific. His primary concern is to demonstrate
that HMA ships had been admitted 'as equals into the greatest
service the seas have known... They had...fulfilled the
purposes of their creation'. ibid., p.334.}

The reasons for the exclusion of the ACNB from the
chain of command in the Pacific in 1914 are two-fold.
Firstly, the newly developed wireless reinforced the
Admiralty's penchant for close control of fleet movements.
Secondly, the First Naval Member and Chief of the Naval
Staff in Australia, Rear Admiral Creswell, was not highly
regarded by the Admiralty. Although Creswell had been
promoted to Rear Admiral by the Australian Government in 1911, he had retired from the RN as a Lieutenant in 1878. His operational experience since that time had not been such as to elicit the respect of RN officers in the Fleet Unit and serious problems would have been encountered had he been given operational direction of it.\(^{36}\)

However, the issue might have been settled differently had the Australian Government pressed the cause of Australian control strongly. An arrangement such as that under which the Japanese Navy took operational responsibility for a specific area, while still allowing its ships to operate beyond that area, might have been concluded with the Admiralty, despite the latter's reluctance.\(^{37}\) Australia

\(^{36}\) The effect of Creswell's lack of administrative experience was obvious by the end of World War I, and was one of the reasons for the Royal Commission into Naval Administration in 1917-18. Creswell was primarily a crusader and his chief contribution to the RAN was in the establishment of an Australian controlled Blue Water force. Peakes compares Creswell with Tryon, saying: 'In his generation each man was the only supporter, in the highest command, of a Colonial or Dominion naval policy'. *White Ensign*, p.218. Certainly the First Naval Members who followed Creswell in the 1920s appeared to lack his vision, though it must also be admitted that they also lacked the scope of activity which he had enjoyed. However, Creswell had outlived his usefulness when it came to the detailed business of setting up an administration and of directing the organisation during the war.

\(^{37}\) As noted above, the Australian Government was considering the replacement of Creswell with an RN Flag Officer early in 1914. Although Creswell's term of three years as First Naval Member made him due for retirement, the Government postponed the issue for political reasons and Creswell remained First Naval Member until 1919. Adm 1/8368/40. It is conceivable that under an RN First Naval Member the Admiralty might have been persuaded to come to some arrangement for the RAN to retain operational independence during the Pacific campaign along the lines arranged for the AIF in France later in the war. Once the German Pacific Squadron had been dealt with and the Fleet Unit was available for service in other theatres, such an arrangement would have been counter-productive, denying not only the Empire the benefit of Australian ships at the focal point of naval concentration, but also the RAN the benefits of working in an integrated fashion with the RN.
possessed the forces at the time to undertake such responsibility. Instead the RAN's public image was developed predominantly around less fortunate issues.

Unsatisfactory administration in Australia during World War I resulted in a Royal Commission to enquire into every aspect of Navy Office.\(^{38}\) The Commissioners found the ACNB weakened from having its authority atrophied by an all-pervading Ministerial control, rent by personal tensions and Board members overloaded by 'foreign' responsibilities. They found the Department in an unsatisfactory state as regards its financial management and the whole situation exacerbated by the frequent change of Minister (six during the four years of the war). However, the Commissioners took account of the enormous increase in the size of the Department of the Navy, which was reorganized as a separate entity from the Defence Department only in July 1915.\(^{39}\) In their final report the Commissioners recommended that the Minister should act only as a member of the Naval Board instead of the practice which had been adopted of the Board acting as an advisory body to the Minister.\(^{40}\)

\(^{38}\) CPP,1917-18-19, Vol.IV, Royal Commission on Navy and Defence Administration. The Commission was appointed on 2 July 1917 and made four progress reports. Ancillary papers were also printed.

p.175 First Progress Report presented 13 November 1917.

p.191 Second Progress Report presented 14 February 1918.


p.277 Third Progress Report presented 20 February 1918.


p.299 Decisions arrived at by Cabinet 15 March 1918.

p.301 Memorandum by Minister for Defence on Reports.

p.303 Memorandum by Prime Minister on Reports.

p.305 Report on Navy Administration presented 4 October 1918.

\(^{39}\) The Minister for Defence, G. F. Pearce, in his memorandum noted that the budget for the Department of the Navy had risen from £4,000,000 to £80,000,000 during the war. Op. cit., p. 302.

\(^{40}\) Ibid., p.308.
The recommendations of the Royal Commissioners were hotly contested by a Cabinet Sub-Committee which argued that removing the Minister from overall control would destroy ministerial responsibility. Both sides showed a truculently theoretical approach to the problem which missed the point of the Henderson Recommendations that the boundaries of responsibility were not discrete, and would have to be settled by experience. That experience could not be borrowed from the Admiralty because of the different political situation in Australia. Nonetheless, British officers were to have a large hand in the Australian naval policy over the next twenty years and it was perhaps the prestige of RN officers, with their open line to the Admiralty, which preserved for the ACNBF the degree of insulation from the political process which it had managed to maintain by the end of the inter-war period.

Insofar as the experience of World War I affected public attitudes and provided the basis of a naval tradition beyond the confines of the service, the Pacific campaign in the first four months of the war provided the highlight. The campaign centred upon hunting Admiral Graf von Spee and the German Pacific Squadron. The German light cruiser Emden was sunk by HMAS Sydney on 14 November 1914, and a flood of praise resulted for both Sydney in particular and

41 ibid., p.333.
42 See R. Hough, The Pursuit of Admiral von Spee, 1969, and E.P. Hoyt, The Last Cruise of the Emden, 1969. Hankey's comment on the action is instructive, illustrating as it does the difference between British and Australian perspectives: 'Some compensation for the calamity of a new enemy - we declared war on Turkey on November 5 - was provided by the gradual destruction in the outer seas of the German commerce destroyers and their bases, culminating in the sinking of the Emden...by HMS Sydney at the Cocos Islands...' M.P.A. Hankey, Supreme Command 1914-1918, Vol.1, p.181. Note the 'outer seas' and 'HMS Sydney'. The propensity for British officials to omit 'Australian' from titles of HMA ships during the period reflects the Admiralty's control of HMA ships. During World War I Hankey was Secretary to the War Cabinet. See S. W. Roskill, Hankey: Man of Secrets, Vol.1, 1877-1918.
the RAN in general. The main part of the German Pacific Squadron was destroyed by a British squadron south of the Falkland Islands on 10 December 1914. The threat posed by the German Squadron at the outbreak of war and the subsequent presence of raiders in the Australian area vindicated the money spent on the Fleet Unit. The Admiralty and others who had advised a Blue Water fleet for Australia were regarded as justified by the events.

The Pacific campaign in some ways institutionalised the strategic assessments upon which Australian naval policy had been founded, viz., the threats of attacks on trade routes and perhaps nuisance raids upon coastal areas by a distant enemy. Experience of successful defence against such an enemy tended to perpetuate that strategic scenario in popular thought and so contributed to the slowness of Australian opinion to appreciate fully the consequences of a changed strategic situation in the inter-war period.

Nevertheless, the experience of the Pacific campaign diminished minority opposition in Australia to a Blue Water force under Australian control. Although the Australian Labor Party did put forward alternatives in the 1920s which would have reduced the RAN to a coast defence force, there were few who took such schemes seriously. When continued existence of the Blue Water concept was in jeopardy during the inter-war period, it was endangered by financial reductions rather than opposition to the concept in principle. Notwithstanding comments made above, the Pacific campaign brought some sense of reality to the Australian naval debate.

However, Australians in general did not gain a balanced appreciation of the utility of the sea as a result of the war. The Australian public, as well as political leaders, lost sight of the RAN to a large extent once the Fleet Unit

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43 CAO, MP 472, Bundle 38, 2/14/8860. 'Emden Sydney action. Letters of congratulation'. Also CAO, MP 1049, Series 1, item 15/021. 'Destruction of Von Spee'.

departed from the Pacific. As a result, while the RAN established its own professional tradition, the AIF held the limelight for the greater part of the war. The Fleet Unit returned to Australia in 1919, in the words of Feakes:

in sections and in silence. Rather overdoing the great Silent Service tradition, some of us thought.

No dramatic spectacle was organized for the victorious return of the Fleet Unit such as had been organized for its arrival in 1913. An opportunity to encourage a sense of maritime tradition in Australia was missed and could not easily be re-created. The naval review of some thirty vessels of war witnessed by HRH the Prince of Wales on Port Phillip in August 1921 came a little late to emphasise to the Australian public the significance of Australia's naval effort.

Thus, at the beginning of peace the RAN stood as a service tested in action, confident of its ability and possessing the respect of its peers. It possessed a large and balanced fleet (see Table 1), which included modern equipment and had participated in some experiments in the forefront of world naval development. An Australian naval tradition appeared to have been established. War-time experience had vindicated the Blue Water school, concepts of the 'fleet in being' had been firmly established and the

44 The situation was commented upon by the Admiralty Staff in 1923. The Director of Plans, Captain D. F. R. Pound, commented:
The Australian rivals the American in thinking his army won the war, whereas the RAN was lost to Australian view during the whole war except for the Sydney-Emden fight, and the average person does not know how they were employed, is inclined to think they did very little, and is quite certain that the present ships are so obsolete that it is a waste of money to keep them going.
Adm 116/3438. Pound was Second Sea Lord, 31 August 1932 to 30 September 1935; Commander in Chief Mediterranean Fleet, 20 March 1936 to 5 June 1939; and First Sea Lord, 15 June 1939 to 15 October 1943.

45 Feakes, White Ensign, p. 196.
disparate Australian involvement in defence of the Empire - local defence and contribution of reserves to British formations - had been confirmed. However, the administrative arrangements of the service had proved to be unsatisfactory, war-time experience had done little to leaven the service to government relationship and popular appreciation of the utility of the sea remained undeveloped. These shortcomings were to have unfortunate results as the service faced widespread public desire to reallocate public expenditure and naval policy was denied the political and economic stability necessary for its mature appraisal.
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<tr>
<th>Fleet Units</th>
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**AUXILIARIES**

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from G. H. Gill, *The Royal Australian Navy, 1939-1942*, p.650
CHAPTER THREE

THE POST WAR NAVAL REAPPRAISAL AND THE 1921 IMPERIAL CONFERENCE

The reappraisal of naval policy upon which Australian defence was to be founded in the inter-war period was a lengthy, somewhat disorganized process which was not pursued with great vigour. Although the major contributions had been made to the reappraisal by the time of the 1921 Imperial Conference, implementation of policy directives which resulted from that Conference was postponed to await the outcome of the Washington Conference and then the 1923 Imperial Conference. This chapter will deal with the reappraisal up to and including the 1921 Imperial Conference.

The basic assumption in Australia in regard to Empire defence in the immediate post-war period was that the Australian and Western Pacific area had become the centre of the world stage. War no longer appeared to be possible in Western Europe. Rivalry between the United States and Japan was seen to be increasing and British interests were inevitably involved thereby. The White Australia Policy and Australia's geographic position heightened local awareness of the under-populated nature of the continent and made Australia and New Zealand appear, in the eyes of their leaders, to be the most threatened area of the Empire. Any conflict with Japan was envisaged in both
Australia and Britain as being a naval war. Australians
saw the primary role of their country in such a conflict
as being a base for RN operations.¹

The Pacific-centred sentiment pervading Australian
thinking provoked an adverse reaction in Whitehall. Hence,
the Admiralty declined to use Melbourne in 1920 as the
venue for the first of the post-war Conferences of C's in
C of Eastern Fleets and tried to exclude an Australian
representative from the meeting. The Admiralty felt it was
undesirable for the meeting to take place in Melbourne, as
had been suggested by the Australian Government, because
such a meeting

would give clear colour to the idea so deeply rooted
in Australian minds, that their ports will be
strategic centre of naval operations in the Pacific.²

¹ In 1920 Hughes stated his belief that British naval policy
was shifting its emphasis to the Pacific and cited the
opening of the Panama Canal and the development of the west
coast of the United States as two important factors in the
shift. CPD, Vol. XCIII, p. 4390. Bruce expressed the view
in its most explicit form in 1923 when he said:
The proposal [to build a base at Singapore] shows
that Great Britain recognises that the heart of
the Empire is not now in the North Sea, but has
been moved to the Pacific, and that the interests
of the Empire in the Pacific are of such paramount
importance that the time has come when steps should
be taken to safeguard them.
To a certain extent, Bruce's statement was an attempt to
bolster support in Australia for his adherence to an
Empire-wide defence policy. However, it was also aimed to
strike a chord familiar to his listeners. ibid., Vol.104,
p.1487.

² Minute by Director of Plans, 30 November 1920. Adm 116/3167.
Political implications were uppermost in the minds of the
Political Lords, especially the worry that C's in C East Indies
Sea Lords would find themselves drawn into controversial
and China would find themselves drawn into controversial
issues. The Australian invitation for the meeting to be
held in Australia more than justified the Sea Lords' view.
The ACNB requested the Prime Minister's concurrence on the
grounds that 'it would stamp Australia as the leading
Dominion in Naval Defence' and suggested a telegram saying
'the resources of Australia will necessarily enter largely
into the business to be discussed...'. Sec. Department of
the Navy to Sec. Prime Minister's Department, 8 November 1920.
CAO, CRS A981, Defence 331, Pt.1.
The Admiralty decided to avoid the issue by postponing a full conference until after the Imperial Conference the following year, but instructed the C's in C East Indies and China to meet together in the interim. A further indication of the Admiralty's reaction to what they viewed as Australian self-importance was given during discussion of Far Eastern defences in the CID:

... reference was made to the school of thought which favoured Sydney Harbour as a main base for the Far East, and it was explained that these views were held by the defensive school, and that such a policy could not be accepted by the Naval Staff, although the location of a large fleet in their home waters would doubtless be very pleasing to the Australians.

Such divergence in views on the importance of the Far East and Pacific areas held by British and Australian authorities proved a considerable hindrance to establishment of a frank relationship between Britain and Australia. This situation was exacerbated by the failure of Australian political leaders to recognise such differences at that time, and the consequent failure to have them discussed with the British Government. The Admiralty's attitude was not unreasonable in view of general naivety in Australia regarding naval matters, which was not overcome during the

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3 The ACNB became aware of the arrangement and asked to be included. The Admiralty had no alternative but to agree. However, they were careful to ascertain who the Australian representative would be in order to instruct the C's in C how much information on naval policy should be divulged. Australia's representative was the First Naval Member, Rear Admiral Sir Percy Grant, who was temporarily appointed C in C Australian Naval Forces to give him equal status with the C's in C China and East Indies. Laird Smith to Hughes, C's in C China and East Indies, 20 December 1920. CAO, CRS A981, Defence 331, Pt. 1.

4 This should not be confused with the debate on whether RACAF should be given the title C in C, which had been decided in the negative the previous year. See CAO, MP1049, Series 1, item 19/046. The report of the Conference endorsed existing Admiralty assessment of Japan as the most likely possible aggressor. CAO, CRS A981, Imperial Defence 350, 'Imperial Defence Papers 1918-21'.

The comments at the meeting is not identified.
period covered by this thesis. 5 Unfortunately the British Government, for their part, helped to perpetuate the problem of Australian naivety on maritime issues by avoiding candid comment when discussion of naval or other policy touched upon sensitive or controversial areas.

Some attempts to establish a close and frank relationship between Britain and Australia were made during the early post-war period, and to a lesser extent throughout the period under study. Individuals, such as Sir Maurice Hankey, 6 made overt and sincere attempts to facilitate an exchange of detailed information. 7 Nevertheless, the overriding tendency in delicate situations was to tell the Australians just enough to convince them they were getting the kernel. Much attention was devoted by British Government agencies which dealt with the Dominions

5 In 1945 when preparations were being made to use Sydney as the base for the British Pacific Fleet, lack of understanding of maritime issues in Australia was commented upon by Admiral Fraser, C in C British Pacific Fleet. The Australian Government and people, he said, were not slow to express 'their entire willingness to cooperate' in rebuilding British maritime power in the Far East using Australia as a base. However, he doubted whether 'they had any idea of the implications behind the basing of a fleet' in their country. S. W. Roskill, The War at Sea, Vol. III, Pt. II, p.331.

6 Hankey, M. F. A. Born 1877. Joined Royal Marines Artillery 1895; Assistant Secretary, Committee of Imperial Defence, 1908-1912; Secretary, Committee of Imperial Defence, 1912-38; Secretary, War Cabinet, 1916; Secretary, Imperial War Cabinet, 1917-18; Secretary, Cabinet, 1918-38; Minister without portfolio in War Cabinet, 1939-40; Chancellor of the Duchy of Lancaster, 1940-41; Paymaster-General, 1941-42. Created 1st Baron Hankey of the Chart, 1939; Privy Councilor, 1939; G.C.B., 1919; G.C.M.G., 1929; and G.C.V.O., 1934. See S. W. Roskill, Hankey: Man of Secrets. Vol. I, 1877-1918, 1970; Vol. II, 1919-31, 1972; Vol. III is yet to be published in Australia.

7 Interview with Lord Casey, 5 February 1974. Lord Casey emphasised the lengths to which Hankey went to provide him with facilities and information while Casey was Australian representative on Hankey's Cabinet secretariat from 1924 to 1929.
to couching information in diplomatic terms. As a result of British reserve, neither the ACNB nor the Hughes Government was fully aware of the economic restraints which the Admiralty were forced to accept.

At the same time, it would only be fair to say that there was great uncertainty at the Admiralty as to what their future strength would be. In August 1919, when the Board of Admiralty considered the annual Estimates, they were acting under instructions to assume that war was not likely for the next ten years. No new construction was to

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8 The discussion in the CID on the Anglo-Japanese Alliance was one case in point:

The view was expressed that it was undesirable to refer to the 'one power standard' since, although the Government had decided that such a standard was the most the country could afford under existing conditions, it was open to question whether in a paper prepared for the Dominions it was a good thing to include anything which might give the impression that such a strength would always be suitable.

Cab 2/3, 142nd Meeting CID, 17 June 1921. While attention to precision of expression is a valid and necessary component in the conduct of any relationship, it is possible for the desire to avoid giving the wrong impression to so reduce the value of the information conveyed as to be counter-productive. In searching the British records of the period dealing with Empire relationships, one continually encounters concern for the artistry of avoiding controversies with the Dominions. This point is confirmed by Roskill who comments that Hankey, although he was enthusiastic about schemes for an Imperial secretariat which would have similar access to Cabinet information as Casey had, was nevertheless opposed to entering into controversy with the Dominions. This seems to stem from Hankey's and Balfour's belief in progress by compromise and was confirmed by unpleasant experiences with Hughes and MacKenzie King. The principle that 'no critical comment of the policy of the Dominions should be voiced by the British representatives' was accepted by the Dominions Office when it was formed in 1925 and was applied to the 1926 Imperial Conference. Roskill notes that Casey favoured a more candid airing of views but Hankey and Sir Edward Harding, first Permanent Under Secretary of the Dominions Office, disregarded his view. Roskill concludes, *inter alia*, '... one feels that it was too cautious of the Mother Country to deny itself what should be a parent's right, and even her duty. Hankey, Vol. II, pp. 428-30.
be scheduled for the next six years. At the August meeting, and again in December, the Board of Admiralty emphasised that, if such constraints were applied to reduce the RN to the contemporary strength of the United States Navy (USN) the Empire would have relinquished supremacy at sea. Britain would still be easily supreme in European waters but would share world-wide supremacy with the United States. Although the Board did not dispute the validity of the reasons for reduction, it was concerned to limit its extent in order to maintain sufficient force to cover Britain's interests abroad as well as defend the home islands. In addition, if Britain undertook no new construction while the United States and Japanese Navies continued to build modern units, the RN would become qualitatively inferior even if still numerically equal in terms of numbers of ships in each class. If the current rate of building were maintained by the United States, Britain would become the second naval power in terms of numbers of ships by 1923 unless new construction were commenced in 1921. As the Board of Admiralty emphasised to Cabinet:

Already the mere rumour of the passing of our sea-supremacy has called forth emphatic protests from the other parts of the Empire, and it will undoubtedly have important effects on our prestige and our diplomatic and commercial interests.

9 Adm 167/56, Board of Admiralty, Minutes of Meeting 18 August 1919. This assumption was a device for restricting the estimates and had not then been built into the strategic appreciations as was the later ten year rule.

10 ibid., 22 December 1919.

11 Adm 167/56, Memorandum dated 23 October 1919. The extent of the British Government's dilemma was admitted the following year in a statement by the Prime Minister, Lloyd George, to the CID. After noting that a European enemy could be ruled out, he concluded that 'in a few years' time either the United States or Japan might pose an overwhelming threat'. It was unlikely that these two powers would act in concert against Britain as they were building fleets against each other, but it was possible that either one might act against Britain. He reminded the Committee
With the above considerations in view, the process of the reappraisal of naval policy in Australia may now be examined. The Creswell assessment of 1915 emphasizing the different order of importance of the Pacific in the scales of British and Australian priorities has been mentioned.\textsuperscript{12} Creswell, however, had fallen from favour and the need for a post-war assessment of the Australian situation led to an examination of the RAN and Australian naval policy by Admiral of the Fleet, Viscount Jellicoe. In November 1918 the Minister for the Navy, Sir Joseph Cook, that its assessment prior to the war had been that the United States was not likely to become an enemy and should not be taken into consideration in calculating defensive preparations. He then outlined the extent of Britain's indebtedness to the United States to the sum of £1,000,000,000 and said that to the present time the United States Government had not been disposed to press for payment. He suggested, however, if the Americans perceived the possibility of British rivalry in a naval race, they might not continue to be so accommodating. He painted the picture of the First Lord having to 'go down to the House of Commons' and explain the need to repay the £1,000,000,000 of Commons' and explain the need to repay the £1,000,000,000 for a naval building race. He compared the population of Britain at 40,000,000 against 100,000,000 of the United States and 70,000,000 of Japan, and the national debt of Britain at £8,000,000,000 against the United States's £4,000,000,000 and the lack of a Japanese national debt.

He was unwilling to use the term "bankruptcy" but that word was applicable to certain countries in Europe today, and this might be applicable to Great Britain should she embark on this devastating competition.

Devastating competition.

Cab 2/3, 134th Meeting CID, 14 December 1920. The 'Very Secret' nature of this meeting was emphasised more seriously than was normally the practice in the CID. Hughes, in his speeches to Parliament on defence at the time, showed an awareness that Britain was in financial difficulties, but the indications are that the details were not divulged to him.

\textsuperscript{12} See Chapter Two.
wrote to the First Lord, noting Henderson's
very elaborate scheme and seeking the advice
of a man whose authority and status will secure
for it unquestioned support throughout.

Jellicoe was invited by the Admiralty to undertake the task
which ultimately became a tour of India and all the
Dominions. Jellicoe arrived in Australia on 23 June 1919
and departed on 16 August 1919.

Before Jellicoe's report was considered, two incidents
damaged the RAN's standing in Australian and Admiralty
opinion. These were the Fremantle mutiny and the Bomb
v. Battleship controversy. Details of the mutiny aboard
HMAS Australia at Fremantle on 1 June 1919, which was a
rather mild affair per se, are secondary and are covered
elsewhere. As a direct result of the mutiny, Jellicoe
was requested by the Prime Minister also to examine the
problem of discipline and to give advice on the notion,
popular at the time, that Australians were not amenable to
the kind of discipline necessary in a naval service. The
nature of the popular ideas regarding naval discipline was
well displayed during the ensuing public debate on the

13 Adm 1/8548/2.

14 For details see A. Temple Patterson, Jellicoe: A
Biography. For details of the Admiralty criticism of
Jellicoe personally see Adm 1/8548/2 which includes a
reassessment made in 1936 of Jellicoe's report. See also
Roskill, Naval Policy, pp. 275-88. In a letter to Jellicoe
on 2 May 1919 Hughes asked for advice on strategic problems
affecting Australian waters and the Pacific; the future
composition of the RAN; naval base and supply requirements
in the Pacific and East Indies; and the central
organization and administration of the RAN.

15 For details of the mutiny see R. Hyslop, 'Mutiny on
HMAS Australia,' Public Administration, Vol. XXIX, No. 3, 1970,
p. 284. Hyslop uses the incident to illustrate the problem
of the Navy's relationship to the Government and the
Parliament. He was given access to Department of Navy files
for the purpose of publication while serving as a senior
member of that Department. Unfortunately he has not
stated his sources when quoting from those files.
the Court Martial sentences. In his report to the Australian Government Jellicoe sought to dispel the popular notion that the incident had been caused by Australian independence rebelling against press-gang coercion. He claimed that if the reasons for discipline were known and it was fairly exercised, Australian seamen respected it. His report to the Admiralty, however, was more specific. The trouble, he believed, could be overcome only by lending the best type of officer to the RAN. The immediate situation was grave; so grave, in fact, that he sent a secret telegram to the Admiralty:

Six RN midshipmen have arrived Australia for RAN ships. Propose transferring them to WMS New Zealand. Secretly, in present condition of RAN I cannot recommend appointments of RN midshipmen to RAN ships.

The strong reaction of experienced officers to the question of mutiny comes through clearly in the comment. As Hyslop states, the German naval mutinies at Kiel in November 1918 were fresh in their minds. Distance between Whitehall and Australia also helped to exaggerate

16 See Sydney Morning Herald, 12 September 1919, 14 November 1919, Sydney Daily Telegraph, 22 November 1919; Courier, 10 November 1919; Bulletin, 26 June, 1919; Argus, 12 June 1919; Age, 20 September 1919; quoted Hyslop, 'Mutiny'.


18 Adm 1/8548/2.

19 ibid. The Director of Operations at the Admiralty minuted the file:

The remarks as to personnel are fully concurred in, but it will probably always be difficult to induce the very best officers and petty officers to volunteer for duty in what can only be for many years a subsidiary service, particularly as the prevalence of political influence and intrigue, with all their attendant evil results, are well known to Naval officers and thoroughly appreciated.

the Fremantle affair, a factor which can be appreciated now in the light of hindsight but which was not taken into account by the Admiralty in forming judgments at the time. Jellicoe's and the Admiralty's confidential opinions were naturally not made available to the Australian Government. Those members of the Australian Parliament who had brought heavy pressure to bear upon the Cabinet to reduce the sentences of the Court Martial were not aware of the way their action inevitably added to the reserve in relations between the Admiralty and the Australian Government. Nor was the public aware that both the First Naval Member and the CAGF had submitted their resignations over the failure of the Government to consult them on the professional matters affecting the service.21

The whole affair underlined Henderson's warning in 1911 that the relationship between service and Government could only be worked out by long experience, calling for maturity and sensitivity on both sides. On the one hand, some of the speeches in Parliament showed scant awareness of the problems of naval discipline and even less regard for the long-term consequences of the incident for both the RAN and its relationship to the RN. On the other hand, the ACNB's handling of the affair showed a lack of sensitivity to the problems of the politicians. This deficiency on the part of the ACNB was, in turn, partly attributable to the Australian Cabinet who, in 1919, obtained a second best

21 CAO, MP 1049, Series 1, item 19/0257. Grant submitted his resignation to the Naval Board on 15 December 1919 because the Government had communicated with the British Government on the release of the mutineers 'without having consulted the Naval Board'. The ACNB discussed the resignation on 17 December 1919 in the presence of the Minister. Grant was asked on the same day by Hughes not to submit his resignation. His resignation was re-submitted on 21 December 1919 but withdrawn on 16 February 1920 after a request to do so by the Minister on the grounds of 'the action that is being taken on Admiral Grant's representations'. Commodore Dumaresq submitted his resignation on 19 December 1919 and withdrew it on 13 February 1920. CAO, MP 1049, Series 1, item 19/0250. So far as the author knows this was the only occasion in the history of the RN in which Flag Officers submitted their resignations on a matter of principle.
candidate as First Naval Member because they refused to meet the demands of the first choice. A similar sequence of lost opportunities occurred in selecting the Flag Officer to command the Australian Fleet.

Cabinet parsimony on this issue proved to be counter-productive in the long term. Grant began his appointment under a cloud at the Admiralty. Before accepting the appointment he sought assurance from the Admiralty that his service on the ACNB would be accepted as equivalent to

Sir Joseph Cook, in London to oversee the demobilization of Australians, was hampered in his negotiations to find a suitable First Naval Member by the limit placed upon salary by the Australian Cabinet. Cook complained to the Acting Prime Minister, W. A. Watt, of the problem in November 1918 but Watt and the Cabinet refused to be moved. In February 1919 Cook had secured Rear Admiral Lambert for the appointment, provided the Cabinet would pay £2,500 plus £500 house allowance and grant Lambert permission to bring his own private secretary. CAO, MP 1049, Series 1, item 19/047. Naval Liaison Officer to Sec. Department of the Navy, 31 January 1919. Lambert was strongly recommended by the Admiralty, had served as Fourth Sea Lord on the Board of Admiralty, had commanded the 2nd Light Cruiser Squadron, 1916-1918, which had included HMA Ships Melbourne and Sydney, and was, at the time, RAC British Squadron, Aegean Sea. The ACNB supported the recommendation. The Australian Cabinet prevaricated and Lambert withdrew. Cook reported:

The delay irked him and he accepted another appointment. Suggest we be given authority to conclude these appointments here. Present methods completely unsatisfactory.

ibid., Cook to Watt, 13 February 1919. Cook managed to secure the services of Rear Admiral Halsey, who insisted on the same terms as Lambert. Halsey was also strongly recommended by the Admiralty, had served as Third Sea Lord under Jellicoe, and had also commanded Australian units. However, Watt and the Cabinet refused to move from their figure of £2,500 all-found and Halsey, too, was lost. ibid., Naval Liaison Officer to Sec. Department of the Navy, 26 February 1919. Finally after Hughes, who was also in London, had supported Cook, Watt and the Cabinet were prevailed upon to soften their stand and Rear Admiral Grant accepted the appointment at £2,500 p.a. plus £500 house allowance. ibid., Hughes and Cook to Watt, 19 March, 1919.
service on the Board of Admiralty. He also sought an assurance that acceptance of the appointment would not prejudice his future employment. The Board of Admiralty replied that they could not agree to his requests but assured him that the ACNB was a post with great possibilities and that if he 'made good' he had 'a future before him'.

Jellicoe, who had Grant with him for half the duration of his Australian tour, did not make an exception of Grant in his report to the Admiralty when he wrote of 'quite a proportion of the British officers' on loan to the RAN who were not of the most efficient type. Hyslop's conclusion is that Grant had not sufficient experience in administration to appreciate the problems of acting as a bridge between service and government. The old navy saying of not ruining the ship for a ha'porth of tar has a certain validity in its application to the Australian Government's preparedness (or lack of it) to pay a little more to get the best. Feakes, who served under Grant, noted his social flair and judged him to be an 'excellent selection'.

24 Adm 1/8555/93. Grant, Rear Admiral Sir E. P. F. Chief of Staff to Admiral Sir Cecil Burney (2nd in Command Grand Fleet), present at Jutland and mentioned in dispatches, A de C to HM the King, 1917; commanded HMS Ramillies, 1917-18; First Naval Member ACNB, 1919-21. Grant had no experience at Admiralty before he came to Australia. On his reversion to the RN he held appointment as Admiral Superintendent, Portsmouth Dockyard, 1922-25. He was promoted Vice-Admiral in 1924 and held no further appointments.

25 Beatty was not greatly impressed with Grant in 1921. Donville records in his diary a meeting between Beatty and Grant at which Grant talked 'rot'. Another meeting was regarded by Donville as wasted time and he comments that Beatty 'polished Grant off' when they got back to Beatty's room. Beatty's Diaries, IWM, 6 July 1921, and 7 July 1921. Donville was on Beatty's staff at the time. It should be noted in the Grant's favour that Grant had served with Jellicoe in the Grand Fleet and was therefore liable to suffer Beatty's antipathy.

26 Hyslop, 'Mutiny', p. 295.

27 Feakes, White Ensign, p. 219.
Grant was undoubtedly popular with the service, he lacked the capacities necessary to guide the development of the RAN in a difficult time.

The second incident which damaged the RAN's standing in Australia was the Bomb v. Battleship controversy in Britain. This debate, originally fought out between supporters of the Air Force and Navy, was largely a result of rivalry over the proportion of defence resources to be allocated to each service in the years of peace ahead. Although rapid technical advances since the turn of the century had produced several threats to the existence of heavy surface units, the debate in Britain was fought out almost exclusively in terms of aircraft versus battleships. The debate in Britain also tended to be carried on in vacuo instead of in the context of the overall strategic and tactical environment. Nevertheless, in Britain the debate was led by serving and retired officers using such journals as the Naval Review and the Journal of the Royal United Services Institute as well as the press. The protagonists were informed men, even if not all were clear-thinking. They included numbers of retired officers of senior rank who, although not up to the minute on recent developments, at least knew a great deal about the topic. In general, the aircraft proponents did not perceive of the complete abolition of capital ships (though some protagonists did argue for precisely that), but of a considerable reduction of both numbers and size of capital ships. The debate did not significantly question Britain's Blue Water policy.

In Australia the Bomb v. Battleship controversy was given a different political emphasis. The question still

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28 The submarine threat was mostly left as a side issue. The Admiralty had developed methods of defence against German U-boats in the latter stages of the war and the submarine weapon no longer held the same appearance of terrible potential which aircraft had in the early post-war period. In addition, submarines were a naval weapon and there was less opportunity for inter-departmental conflict regarding their usage and development than was the case with aircraft operated by the Air Force. For details of the debate see Admiral of the Fleet Lord Chatfield, *The Navy and Defence*, and *It Might Happen Again*. Also Roskill, *Naval Policy*, pp. 221-25.
centred upon the proportion of the defence vote to be spent
upon surface units, but in Australia the Air Force lobby
became associated with nationalistic pressure groups which
saw the possession of cruisers by the RAN strengthening
excessive Australian dependence upon Britain. Views
recently expressed by Lord Fisher, who had taken to
championing the submarine against the dreadnought, were
given considerable publicity in Australia. Fisher's views
developed in Australia into a school of thought, popular
particularly within the Australian Labor Party, which
favoured a combination of submarines and aircraft to defend
the Australian continent. The result was a strengthening
of minority views in Australia which opposed a Blue Water
policy and held that the Australian continent could be
defended from raiders or invasion by a combination of
short-range submarines and aircraft, relying on the Army as
a second line of defence. The Australian debate was led by
politicians and newspaper editors not greatly informed on
the subject. There were very few retired naval officers of
senior rank in Australia at the time and the debate was
notable for its lack of expertise although British newspapers
were selectively quoted. The Australian cruisers were
unthinkingly lumped together with the doomed battleship and
denigrated for their supposed ineffectiveness against
aircraft, despite experience in the North Sea that cruisers
could survive air attack, especially if given their own air
cover. 30

29 Fisher's championing of the submarine perplexed many in
Britain. His point was not without merit but the extreme
position he chose to argue from lost him much sympathy. Lord
Curzon wrote to Admiral W. Henderson:
He has been making the most outrageous statements
in a deliberate attempt to mislead the British
public who know Lord Fisher as a great public man
and a great sailor and knowing no better believe
everything he says... Unless something is done Lord
Fisher's statements will be invoked by panic-stricken
economists as a justification for "ruthless" economy
without regard for the ultimate interests of the
country. The underlying motives of his campaign I
can only guess at.
Curzon to Henderson, 24 September 1919, Henderson Papers,
HEN/2/6, NMM.
The submarine/aircraft lobby had no answer to the problem of protecting Australian interests beyond the continent or the extensive overseas trade upon which the Australian economy was heavily dependent.\textsuperscript{31} The convoy system had been re-confirmed for trade protection during the latter stages of World War I. At the same time, convoy escort duty had been shown very definitely to be the job of surface forces, not of submarines.\textsuperscript{32} The logical outcome of a victory by the submarine/aircraft school of thought would have been to increase Australian dependence on British protection for Australian trade and other overseas interests, an outcome opposite to their desires. The alternative, that of increasing Australian capacity to defend trade and other overseas interests by balanced and mutually supporting forces, would have had the desired effect of decreasing Australian dependence on ultimate British protection. However, it was not considered in such terms.

The Bomb v. Battleship debate in Australia had serious consequences for post-war naval policy.\textsuperscript{33} Not only was the

\textsuperscript{31} Aircraft at the time were of very limited endurance, they were not capable of escorting convoys beyond the vicinity of coastal air bases and they were so susceptible to the weather that their constant availability was impossible to guarantee. Their performance against naval forces remained speculative. In the immediate post-war period air protection of shipping was not an alternative to surface escort.

\textsuperscript{32} See E. Gray, A Damned Un-English Weapon: The Story of British Submarine Warfare, 1914-1918, 1971. Gray uses the example of the X-boats to illustrate the folly of the idea that submarines could work with surface units. The submarine was most effective when used in an independent role. Though the German navy developed the principle of pack-hunting, this concept was based solely on concentrating the boats onto a target once the position and course of the target was known. No attempt was made to coordinate the boats during their attacks. See H. A. Werner, Iron Coffins: A Personal Account of German U-Boat Battles of World War II.

\textsuperscript{33} The immediate post-war debate should not be confused with the recurrence of the debate in the mid-1930s.
Blue Water basis of Australian naval policy brought into question at a time when there was great pressure to cut defence expenditure, but also the defence debate as a whole was translated into a party struggle conducted from one or other of two extreme, and partisan, positions. In the short term the debate added little to attempts in Australia to explore the potential of the new weapons and discouraged efforts to assess the mutual advantages of submarines or aircraft used to complement surface units.

This controversy set the direction of defence debate until the mid-1930s along lines which made an individual's views in regard to the relative advantages of aircraft, military force or naval vessels an indicator of his loyalty or disloyalty to the Empire on the one hand and to the ideals of Australian nationalism on the other.

The immediate issue of Bomb v. Battleship was settled for the time being by the report of a CID Sub-Committee appointed to take evidence on the future of the capital ship in the RN. 34 The Report noted the qualifications made necessary to the use of capital ships by the development of submarines and aircraft but was firmly of the opinion that a power without capital ships would be weaker than a power which possessed them. Very little was said about carrier-borne aircraft, which were being experimented with at the time. The Report forecast that development in both the new weapons and counters to them would be rapid.

The Jellicoe Report consisted of four parts, three printed in Commonwealth Parliamentary Papers, and one secret volume. It was the most detailed single contribution to the post-war reappraisal of Australian naval policy. Basically, the report emphasised Japan as the most serious foreseeable menace to the Empire, especially in view of Britain's unreadiness in the Far East, but took no account of America.

34 Cab 16/37. 3 Vols. The Committee was ordered to be set up on 29 December 1920 and its report was dated 2 March 1921. Although the CID Sub-Committee's report was not presented until well after the Jellicoe Report, the debate was in progress while Jellicoe was in Australia.
as an ally and it did not deal with the implications of the establishment of the League of Nations. Jellicoe indicated that Singapore should be developed as the primary base against Japan and resurrected the general outline of the pre-war Far Eastern Fleet scheme in which Britain, Australia and New Zealand were to have shared. The scheme was considered in Australia to be unrealistically optimistic in terms of the size of forces envisaged and was given little attention. The Report's importance for Australian naval policy lay in its advice on administration and the channels of responsibility. 35

On the specific subject of the RAN, Jellicoe took Australian dependence on Britain for granted and recommended continued adherence to the principle of interchangeability. He argued for the highest standards to be maintained in recruiting. He linked standards and the prevalence of political interference to the discipline problem and recommended strongly that the Government should place a greater degree of responsibility on its naval advisers. In the latter recommendation he was entirely consistent with the recommendations of the Royal Commission the previous year and with the Henderson recommendations of 1911. 36

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35 Report contained in CPP, 1917-18-19, Vol.IV, p. 147 ff, less Part IV, a copy of which is held in Historical Section, Department of the Navy, Victoria Barracks, Melbourne. When the size and complexity of HMA naval force by the end of World War I (see Table 1) is considered, it may be appreciated why Jellicoe should assume there was considerable support in Australia for a powerful Navy.

36 Roskill has noted Jellicoe's tendency to confuse the effects of political interference in service matters with the need for British officers to handle Australian seamen differently from British seamen. Naval Policy, pp. 180-81. The two problems were rather more separate than Jellicoe allowed. Each problem was significant in terms of discipline. However, the distinction is worth bearing in mind because the former problem, concerning the nexus of areas of responsibility, was one which continued throughout the period, while the latter problem was a problem of leadership at a basic level and was solved reasonably satisfactorily during the 1920s. In many ways, the vestiges of the former problem remain in the 'more emancipated' forms of discipline in Dominion units while he was in command of HMS Leander, 1941-44.
Jellicoe gave strategic respectability to the Government's desire to depart from the elaborate network of bases recommended in the Henderson scheme. Jellicoe emphasised that trade protection required a base on the east coast and another on the west coast. He was aware that available finance dictated that bases and support facilities be kept to a minimum while the available resources needed to be allocated primarily to ships and weapons. Jellicoe recommended Port Stephens to be the major base on the east coast and Cockburn Sound to fulfil that role on the west coast. For the support of the Main Fleet at Singapore, he also advised a storage and fuelling facility at Bynoe Harbour, west of Port Darwin. Thus the emphasis of the scheme upon which bases were to be constructed was changed from protection against raids to trade protection and offensive action in the seas to Australia's north. Until Australia should acquire enemies closer than Japan, Germany or the United States, the concept of circumferential distribution, in terms of proliferation of established base facilities, could only drain off funds needed for the primary task.

37 Henderson's recommendations on the naval defence of Australia had emphasised the problem of raids and envisaged the construction of bases and sub-bases around the continent to protect all populated areas. The Admiralty termed this 'circumferential distribution'. The scheme, if followed, would have meant that with the resources available, after provision for coastal defence, the Australian Government would have had no funds left for the protection of trade routes. Henderson took little account of the position of enemy bases, and he seemed to lack an appreciation of the distance factor in Australian defence. Circumferential distribution worked well for the British Isles where a network of bases from Scapa Flow to Plymouth protected densely populated areas in close geographic proximity to one another. In the British case a potential enemy could be less than 30 miles away at the nearest point, and that point was opposite the most densely populated section of the country. It was not economically feasible for Australia to defend by means of local defence flotillas any more than the areas around Port Jackson and Port Phillip. Adm 1/8499/220.
The Hughes Government took no immediate action upon the Jellicoe Report. After the elections of late 1919 the Government gave little attention to naval matters until September 1920 when the ACNB asked the Government to discuss with the Board policy issues relating to the Imperial Conference the coming year. The results of the C's in C Conference in Penang were melded with a summary of the Jellicoe Report and a set of questions for discussion in London prepared by the Naval Staff. However, a policy decision was avoided by the Government in expectation of Admiralty advice at the 1921 Imperial Conference. By that time it was hoped that uncertainties in the Australian and British situations would have lessened to some extent.

Admiralty advice on the defence policy for the Empire was contained in one main paper and several subsidiary papers. The main paper, titled 'Imperial Naval Defence', was divided into three parts: Nature of Cooperation; The System of Command and Direction in Time of War; and The Selection and Maintenance of Bases. The first part traced the history of the various schemes for naval cooperation in the Empire, laid stress on the need for concentration of force in the main theatre, noted that large submarines would be particularly valuable in a war with Japan, and argued the universal usefulness of light cruisers but downgraded the usefulness of destroyers. The second part was divided into a consideration of four areas. The direction of Imperial Policy, it argued, should proceed by means of Imperial Councils similar to those proposed by the Imperial War Cabinet in 1917. The higher strategic direction was to be carried out by having members of the Dominion Navies on the Admiralty Staff. Executive command was to be given cohesion by

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38 Grant asked that sections of the Report, which would not cost money, should be adopted immediately. He was told by the Minister, Sir Joseph Cook, that there was 'no chance of any Cabinet consideration until after the elections' in November 1919. CAO, MP1049, Series 1, item 19/0221.

39 CAO, MP1049, Series 1, item 20/0304.
attendance of Dominion officers at British staff colleges. Administrative command was to be coordinated on the basis of each service having similar disciplinary and administrative systems, uniforms and equipment. The third part of the paper, dealing with bases, outlined the threat scenarios of the foreseeable future. It was divided under the headings of British Empire versus a European power or Japan. A combination of the two was not considered. The first alternative was dismissed in a scant ten lines of print, presumably because recent enemies had been defeated and a complete break with present friends did not seem imminent. The conclusion to discussion of the second alternative was that war would be largely a maritime operation but, in the event of British forces being weaker than Japanese, an invasion of Hong Kong, Malaya and Australasia was probable. A secure main base was needed at Singapore and Sydney should also be developed as a primary base. It was unlikely that Canada would be threatened. In the case of the British Fleet being stronger than Japan, an invasion of Japan or Korea or the blockade of Japan was envisaged, for which a mobile organization for the equipment of temporary fleet anchorages was deemed essential. 40

The overall effect of the main paper and the consequent discussion at the Imperial Conference was that some administrative arrangements were made and the main strategic concepts canvassed. However, the Dominions were not given an opportunity to study the details of the overall situation in which the Empire was then placed. No yardstick was given to the Dominions by which they could measure the total force necessary for defence of the Empire, judge Britain's capacity to contribute to it and then determine the size of the contributions necessary to make up the deficit. Yet, in regard to their own building programmes, they were told:

40 Adm 1/8571/295 and Adm 1/8605/81.
As finance is the principal factor governing the size of a Navy, this question must be left for each Dominion Government to decide for itself.

And again:

The total naval force required by the Empire should, however, be discussed periodically with the Dominions and the Admiralty should make suggestions as to the extent and nature of their cooperation. 41

The Dominions were thus to concern themselves with details of their own defence. Australia was not encouraged to assess the capacity of the RN to play the role cast for it as Australia's ultimate protector. Yet, the latter consideration was of crucial importance to the question of whether Empire Defence was still sufficient for the defence of Australia, and if so, the extent of the Australian contribution necessary to maintain a 'fair' share of the responsibility.

At the 1921 Imperial Conference the Admiralty presented Hughes with an additional paper dealing with naval forces for Australia. Basically the paper sought to tie Australia to a contribution to Singapore. The basis of the proposal was that:

Japan must certainly be considered as the naval power with whom the Empire is most likely to be drawn into conflict. 42

This assessment was reinforced by the views of Admiral Grant who went to London with Hughes as Naval Adviser for the Conference. Grant's papers in the Hughes Collection reflect his alarm about the situation in the Pacific. 43 The Admiralty emphasised that Australia would not be able to afford naval forces sufficient to guarantee protection against Japan, and the support of the RN based at Singapore would therefore be necessary. However, the RAN should be capable first of creating a diversion until the Main Fleet could arrive in

41 Adm 1/8571/295.

42 The paper was presented to him by 9 August 1921 marked 'secret' and with instructions to be returned to Plans Division. Adm 1/8611/151.

43 Hughes Papers, Box 10, Naval Defence, held by Mr L. Fitzhardinge, Australian National University.
Singapore, and then of cooperating with the Fleet once it had arrived. It was upon this allocation of responsibilities that the RAN developed in the 1920s.

Two primary commitments were seen for Australia: firstly a contribution to Singapore and the establishment of fuel reserves in northern Australia; secondly, the maintenance of efficient light forces. Six destroyers and a minesweeping flotilla were advised for local defence and the remainder of the destroyers used for local defence if crews were available. It was expressly stated that 'the "J" Class submarines being of large endurance should be used for overseas operations: they are wasted on local defence'. The present light cruisers were to be kept on as training ships while new and more efficient cruisers were being acquired. 44 The 1921 concept of Empire defence thus envisaged the RAN taking an offensive role during the period before Singapore was relieved by a British fleet.

In the light of hindsight, one can discern two points on which this paper fell short. Firstly, it assumed that the Main Fleet would be sent to Singapore regardless of any adversity in which Britain might find herself. It ignored the possibility that the Fleet, even if capable of being sent, might not be allowed to go for political or other reasons. It was noted in the Plans Division paper on the Naval Situation in the Far East, that:

> It must always be remembered that great reluctance is shown by the Government to moving the Fleet during periods of strained relations as being likely to precipitate hostilities...45

This argument was used in regard to stationing a fleet at Singapore instead of Hong Kong but it had at least as much application to the question as to whether a fleet would be

44 The new units suggested for the RAN were three improved 'Hawkins' class light cruisers, seven (one flotilla) of improved 'L' Class submarines and one submarine parent ship. The total new capital cost envisaged was £5,218,500. Adm 1/8611/151.

45 Adm 1/8571/295.
allowed to proceed from Britain to Singapore, if hostilities threatened before a fleet had been stationed there.

Secondly, the recommendations for an Australian contribution to Singapore and the establishment of oil reserves would have made it impossible for Australia to pay for a fleet as well. The policy would have resulted in Australia having oil reserves to replenish the Main Fleet but being able to afford only a very small local defence flotilla. Australia would not have been able to harass attacks on Singapore or subsequently reinforce the Main Fleet. If the Main Fleet were for some reason to fail to arrive at Singapore, not only would Australia then be at a serious disadvantage in terms of local defence, but also much capital would have been expended unproductively on oil reserves and other stores which the RAN could not use and would have trouble defending. The fate of the reserves held at Singapore in 1942 is testimony to the money which would have been lost.

A further paper put to the Imperial Conference dealt specifically with the proposed base at Singapore. Discussion on the paper in the British Cabinet before it was put to the Conference viewed the question of a base at Singapore largely

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46 This latter point had been realised in 1917 in a Plans Division paper replying to an Australian request for advice on continuing construction of the bases laid down in the Henderson Recommendations. It was then noted that, after the war, considerations of economy would force the RAN to cut costs. Money spent on bases and reserves would leave less for ships and men. Therefore the Australian Government was advised not to continue with work on the Fremantle base and to undertake only such work at Sydney as was immediately necessary. It was only the relationship with the RN which permitted the RAN to avoid the crushingly heavy overheads which would otherwise have been encountered by reason of its small size. Adm 1/8499/220.

47 The paper was reprinted from CID Paper 143-C which was considered by the British Cabinet on 16 June 1921. The paper discussed the proposed base in terms of total British interests in the Far East. The Admiralty was concerned to protect Hong Kong, Malaya, the oil of the Netherlands East Indies, and India, as well as trade in the Indian and Pacific oceans. Protection of Australia and New Zealand was only one of the functions of the force to be supported by the proposed base at Singapore.
in terms of the future of the Anglo-Japanese Alliance. Although the Admiralty and the CID considered a base at Singapore from the strategic point of view, the Cabinet meeting of 16 June 1921 seized upon it as a political solution to its difficulties with the Dominions. For the Cabinet a base provided a palliative for the Dominions, especially Australia and New Zealand, and seemed to offer the British Government a way of avoiding criticism over reductions in the RN. Balfour emphasised to his Cabinet colleagues:

The great importance of being in a position to tell the Dominion Governments that we had a naval policy...the United States were continually suggesting that the American Navy was available for the protection of civilization and the white races of the world. But the main point was that we must be in a position to say that we had a practical plan. This was even more important than actually commencing the work of developing Singapore at the moment.48

The concept of the base was subsequently accepted by the 1921 Imperial Conference and the Admiralty began detailed planning.

The Imperial Conference which met in London from 20 June to 5 August 1921 achieved very little in regard to Empire defence. The British Government and the Admiralty were already looking toward the Naval Conference at Washington at New Year. Hence firm decisions were avoided. The Imperial Conference was also less than successful as a medium of frank discussion in regard to Empire defence. Not only was the proposed base at Singapore made an important issue,49 but also the emphasis of the Imperial Conference had been deliberately concentrated on the Pacific to take attention.

48 Cab 23/26, 50th Meeting Cabinet, 16 June 1921. The Cabinet accepted the paper for submission to the Imperial Conference, 'on the understanding that no considerable expenditure need be expected for the next two years'.

49 Cab 2/3, 140th Meeting CID, 10 June 1921.
from the real state of the RN in the Atlantic. Emphasis was placed on plans for building the base with the most modern equipment, while analysis of the fleet's weakness was avoided by the plan to keep the fleet in Home Waters until it was needed. Thus Hughes and Bruce could be forgiven for becoming excited by the belief that the centre of the Empire had shifted to the Pacific.

Hence, Singapore was a convenient smoke screen. The Admiralty emphasised the ability to move the fleet but avoided the question of whether such a move would be politically feasible. In the division of responsibility between the Admiralty and the Government, the Admiralty ensured that the ability existed in terms of physically moving the fleet, but successive governments failed to provide sufficient ships to allow a fleet to be sent to the Far East while still carrying out the RN's primary function - that of defending the British Isles. With the passage of time, the disparity between the ability to go and the sufficiency of naval force necessary to allow a fleet to be sent, became blurred.

There is little evidence that the post-war reappraisal of naval policy significantly affected the views of the Hughes Government. If anything, it reinforced Hughes' view that Australia and Australia's interests could not be defended without ultimate British support. He was not prepared to moderate his stand on White Australia and other issues which he regarded as important, despite the economic difficulties of both Britain and Australia. His response to the problem of the cost of naval forces was to hope for a solution from the Imperial Conference. In his Ministerial Statement prior to the 1921 Imperial Conference, Hughes

50 The Prime Minister, in a briefing on the paper to be sent to Dominion Prime Ministers, instructed the CID that the desirability of concentrating discussion on the Pacific rather than on North Atlantic problems should be borne in mind, and that the whole trend of the discussion should be steered in this direction.

Cab 2/3, 138th Meeting CID, 12 May 1921.
clearly related the maintenance of the White Australia policy to naval defence. He repeated his conviction 'We cannot defend ourselves' and argued the continued need for British support. In another part of his Statement he outlined the huge British debt, the post-war social upheaval and the enforced defence cuts which had reached such a level that Britain no longer had the resources to defend the Empire on her own. This latter argument was used as a debating device to mitigate the extent of defence reductions in Australia. The connection between a weaker British defence and the possibility of a more accommodating Australian migration policy or attitude toward Asia was not made.\(^{51}\) The alternative, that Australia should seek a new protector, was not seriously canvassed and was not a relevant issue throughout the inter-war period, while the possibility of Australia maintaining a strong Navy was doubtful.

\(^{51}\) CPD, Vol. XCIV, p. 7265.
CHAPTER FOUR

POST WAR REDUCTION OF THE RAN: FINANCIAL POLICY AND
THE WASHINGTON NAVAL CONFERENCE

While the post-war reappraisal of naval policy continued, financial and other considerations dictated the reduction, in both Britain and Australia, of the large naval forces built up during the war. At the same time, the maintenance of a high rate of naval construction by Japan and the United States posed a difficult problem for Empire leaders. The most attractive solution was an international agreement for the limitation of naval armament which was in accord not only with the financial needs of both Britain and Australia, but also with international popular 'anti-war' sentiment. Both Governments were able to continue their defence cuts, begun in 1919, as naval arms reduction was formalised into an international system at the Washington Naval Conference. Limitation of armaments was to remain an important element in the British Government's thinking on naval defence until the German Government renounced the Anglo-German Naval Agreement in 1938, and the London Naval Treaty was abrogated the following year. Arms limitation by the major Powers automatically affected Australian naval policy because of Australia's reliance upon the ultimate protection of the RN.

In Australia, although HMA Fleet Unit was maintained in commission until after the visit to Australia of H.R.H. the
Prince of Wales in August 1920, naval expenditure was reduced from the armistice onward.¹ Cabinet's determination to cut costs has already been detailed in relation to Grant's appointment. On 15 April 1919 the Government issued a direction under the *imprimatur* of the Council of Defence for the Departments to

> effect all savings possible in order that the departments concerned might be placed on a pre-war basis with the least possible delay.

The drive for economy gained momentum within the administration in September 1919 with the Treasury taking the initiative. On 30 September the Minister for the Navy, Sir Joseph Cook, attended a meeting of senior Treasury officials at the Treasury at which it was agreed that if expenditure were reduced for the present by £239,000 the estimates would be reviewed the following January. The Treasurer agreed to put the arrangement in writing. When the Board received the promised Treasury letter, it found that the letter did not bear the authority of the Treasurer, it contained no undertaking for a review and it revealed that a further £10,000 had been deducted without consultation from the provision for works which had been undertaken prior to 1 July 1919.² This somewhat high-handed action was symptomatic of a process whereby the Treasury, like the Prime Minister's Department, gained increasing influence over the Department of the Navy. At the time, because of the need to reduce expenditure, the incident was allowed to

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¹ When Grant arrived in Melbourne in August 1919 to take up his position as First Naval Member, he found that economies in defence spending had already reduced the extent of preparation of Australian shore facilities for the return of the Fleet Unit. Fuel, ammunition and other reserves were not provided and training of reserves had been reduced. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262. Grant to Minister, CAO, MP 1049, Series 1, item 19/0262.

² CAO, CRS A 2028, Council of Defence, Minutes of Meeting 15 April 1919.

³ CAO, CRS A2586, Naval Board, Minutes of Meetings 2 October and 9 October 1919.
pass with only mild protest on the part of the ACNB. Board Minutes of the following twelve months show the steady progress as ordered in reducing establishment and rationalising the use of facilities to accord with the reduced size of the service. However, the ACNB's compliance could not be taken as a sign that it was satisfied that a wise policy was being followed in the determination of the defence estimates.

The considerations upon which the 1920/21 Estimates were based suggest that naval policy was being determined by Treasury priorities with little regard to service advice or the strategic situation. The initial discussion between the ACNB and the Minister took place at Navy Office, Melbourne, on 2 August 1920 but access to the Minutes has remained restricted. However, it becomes clear from the continued discussion of the ACNB in their meeting of 9-10-11 August 1920 that they had been allocated a sum of £3,250,000 and ordered to do the best they could with it. The Board had, on 1 July 1920, addressed a memorandum to the Minister, in which they stated their view that it was unsound simply to split the money available for defence between the Navy and the Army and instruct the services to make the best of it. They had emphasised that defence policy needed to be related to foreign policy, which should be taken into consideration in framing the estimates. The First Naval

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4 The Minutes of the Naval Board in the Commonwealth Archives Office have been extensively masked. Volumes containing the Minutes bulge to corpulent proportions with the number of manilla envelopes used for the purpose. The extent of the restriction compares unfavourably with the open nature of the Board of Admiralty or British Cabinet Minutes in the Public Records Office.

5 Provision was made over and above that amount for stores and equipment actually used during the war to be replaced out of the war loan instead of from the appropriation.

6 Naval Board to Minister, 1 July 1920. Historical Section, Department of the Navy, 1920/0215.
Member had also written privately to Laird Smith to emphasise the point.  

In the absence of positive policy directives as to the future of the RAN, the ACNB used its own initiative to decide on an ad hoc policy for maintaining the most effective force with the money available. The resulting reductions were based upon the principle of maintaining in skeletal form each of the elements of a balanced fleet so that when finance became available to again build up the fleet, a balanced force would exist as the basis for expansion. Consequently, the cruiser force was reduced while the destroyer and submarine squadrons were retained. Seagoing elements were given priority over the supporting establishment.

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Grant wrote to W. H. Laird Smith, the Assistant Minister for the Navy, in June 1920 reminding him that he had been First Naval Member since August 1919 and although he had continually pressed the Government for a statement of naval policy, he had been unable to obtain any decision regarding the resources which were to be made available for naval defence or the Government’s wishes as to their allocation. Grant to Laird Smith, 18 June 1920. Papers held at Historical Section, Department of the Navy.

Grant went to the O's in C Conference at Penang early in 1921 still without a policy directive from the Government. The CID papers presented to Hughes at the 1921 Imperial Conference were the most definite approach to policy of the period but there is no indication that they were ever formally accepted by the Government. No specific policy statement was issued. In June 1922 the ACNB, discussing the future naval policy has yet been laid down'. CAO, CRS A 2586, Naval Board, Minutes of Meeting, 7 June 1922.

Later in the same month, while discussing development of facilities at Cockburn Sound, the ACNB could only comment that 'the future of the Naval Defence of Australia is still obscure'. Ibid., 26 June 1922.
and a Blue Water capacity was maintained. The reduction policy assumed that the further reductions would not be so severe as to render training impossible in any one branch of the service.

The reductions to the Navy Estimates in 1920 greatly alarmed the First Naval Member who stated in a memorandum to the Minister dated 3 September:

Australia, through force of circumstances, has at present abandoned her high sea fleet Policy and has returned to the local Defence Policy [of the State Navy days, except that this Defence is now under the Federal Government instead of the State Governments and] The defence of the greater part of the coastline and of the Commonwealth Territories overseas must now devolve on the British Navy. This really means that at present Australia has no Naval Policy in the Pacific.  

Hughes, in his statement on defence policy to Parliament on 9 September 1920, restated his belief that Australian defence depended primarily on the sea and upon the links with Britain. He admitted that the Estimates were dangerously low but felt under the circumstances that it was necessary to 'take some risks'.

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8 The order of preference which the ACNB decided upon was:
1. Six submarines and their parent ship and depot.
2. Six escort destroyers and their parent ship.
3. Aircraft fly-off ship and aircraft depot ship.
5. Completion and commissioning of HMAS Adelaide.
6. Naval Intelligence and Nautical Survey Service.
7. One other light Cruiser.
8. Reserves of ammunition and fuel.
9. One sloop for surveying duties.
10. Seagoing training ship (Encounter).
11. Other ships with nucleus crews.
12. Fleet auxiliaries.
13. Jervis Bay Naval College which should eventually be closed but could not be closed at present. The cadets required to replace wastage to be sent to English Naval Colleges for training after Jervis Bay College is closed. Words in brackets were omitted in the final draft.

9 Grant to Laird Smith, 3 September 1920. Papers held at Historical Section, Department of the Navy, 1920/0215. The words in brackets were omitted in the final draft.

10 CPD, Vol. XCI, p. 4392. This statement was of a general nature and did not provide the policy directives which the ACNB needed to plan the future of the RAN.
During the years 1920 to 1923 the RAN 'lived off its fat'. Along with other methods, expenditure was reduced by using up reserves without replacing them at the same rate, by running ships beyond their normal maintenance periods, and by reducing personnel to a minimum and suspending training. Reserves of oil and ammunition were reduced in 1921 from two years' supply to one and ships were restricted in the quantity of ammunition they could use for practice.\textsuperscript{11} The establishment of staff and cadets at the Royal Australian Naval College (RANC) was reduced. Personnel levels were reduced by returning certain RN officers and men on loan and by inviting RAN officers and men to volunteer for immediate discharge. This process was not without its advantages as the Naval Board took the opportunity of skimming off the dross from the service.\textsuperscript{12}

By 1923 the RAN had ten ships in commission, compared with 39 in 1919. HMAS Australia was decommissioned pending the result of the Washington Conference and the submarine flotilla was disbanded in 1922. The Board's priorities had been amended so that instead of reducing the fleet in such a way as to leave small numbers of each class of vessel and so retain a balanced unit, four of the cruisers only were kept in commission and the RAN remained a Blue Water force. Grant's fear of the Government's reverting to a coastal defence force was thus averted, but the reductions had cut deeply into the service although they had been weighted towards pruning the shore establishments in favour of the fleet. The resulting imbalance was overcome by making greater use of RN resources such as disposal stores, training establishments and, when the service was again able to expand in 1923, of RN officers and senior ratings on loan to

\textsuperscript{11} CPD, Vol. XCVII, p. 12991.

\textsuperscript{12} CAO, CRS A 2585, Naval Board, Minutes of Meetings 30 June and 14 November 1922. On 30 October 1922 the Third Naval Member, Engineer R. Adm. Sir William Clarkson, retired. Similarly, when the Civil and Finance Member of the Board, Paymaster Captain A. Martin, retired on 18 December 1922, his post was left vacant until the following year.
fill the widened gap in the RAN's personnel caused by the truncation of training.

The Hughes Government, however, was under great pressure to cut defence expenditure and attend to social issues long ignored because of the war. The cry from Parliament and the electorate was to return to normal. In terms of defence expenditure, 'normal' meant that level of expenditure which had existed before 1914. In the ensuing debates, little account was taken of the effects of inflation upon defence costs or of the revolution in armaments which had started before the war and had been greatly accelerated during it. Although the international situation was in a state of flux, the climate of national opinion was not conducive to high defence spending or the formulation of a long term naval policy.

The mood of Parliament towards naval expenditure was illustrated by the debate on the Estimates for 1921/22. The general feeling was that, given the need to reduce all expenditure, in the absence of an immediate threat defence spending should be cut heavily. During the Budget debate in October 1921, Senator Duncan (NSW) put forward the view that, with the United States and Japan putting such huge amounts into naval construction, Australia could not hope to compete and so should concentrate on building a 'mosquito fleet' of destroyers, submarines and aircraft while relying on being able to hire larger naval vessels from Britain when necessary.13 The same backstop sentiment had been voiced in the House earlier in the year from the other side of the political spectrum by Sir Robert Best, who felt

...we must all agree with the view...that the Empire is dependent for its existence on the British Navy.14

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13 CPD,Vol. XCII, p. 11808. The fact that Britain might need the larger naval vessels herself in any time of threat to Australia was overlooked.

14 ibid., Vol. XCIV, p. 7410. The emphasis is the author's.
Best had made no attempt to assess the capacity of the backstop. It was sufficient for him that it was seen to be there.

The reductions which the Government was obliged to accept made little allowance for the peculiar problems of the RAN, especially those of maintaining highly specialised personnel. It was assumed that the RAN would be able to continue to rely on the RN to overcome the consequences. Hughes, operating at times with a majority of one in the House, was sensitive to his opposition. 15 When two amendments to the Estimates were moved on 17 November 1921 seeking to reduce the military vote by £500,000 and £400,000 respectively, he was forced to buy off a proportion of the members by promising, inter alia, to reduce the naval vote by £130,000 if the amendments were not passed. 16 In doing so he noted that this reduction was achieved at the expense of fleet training. In a speech charged with emotion, Mr Anstey, Deputy Leader of the Labor Party in the House, castigated Hughes for his betrayal of the Party along with its traditional stance on defence. He defended the Party against Hughes' attack that the Opposition was being

15 For an account of the influence of party groupings upon Hughes' majority in the Eighth Parliament see Sir Earle Page, Truant Surgeon, Chapter IX. Watt resigned as Treasurer in October 1920 in a dispute with Hughes over the handling of negotiations in Britain for the financial adjustment of Britain's war-time wool purchases. See especially Page's account of the Country Party's amendment on 19 October to reduce the Budget by £500,000 when the Country Party combined with the Labor Party and almost unseated the Government. Hughes survived by one vote on 27 October. ibid., p.69.

16 CPD, Vol. XCVIII, P. 12940. The Naval Board had been asked by Laird Smith on 9 November to reduce the Estimates by a further £168,000. The Board agreed to £130,000. It appears that the Board, or some person from the Department, had endeavoured to rally support by leaking information to the Argus which carried an article on 13 October to the effect that the RAN was being scrapped in favour of a contribution to the Singapore base. The matter was raised during the Budget debate in the Senate where Senator Millen, representing the Minister, replied that in his judgment the statement emanated from officials of the Navy Office who were noted for 'kiteflying'. CPD, Vol. XCVII, p. 11929.
irresponsible in the reduction of the Estimates, by holding that it was the duty of an opposition to embarrass the Government wherever it could. His speech was designed to serve the ends of parliamentary tactics and showed little sympathy for what the pressure for further round-figure defence cuts might do to the carefully calculated priorities of the ACNB. The struggle of party politics was all consuming.\textsuperscript{17}

The Minister for the Navy, Laird Smith, came under fire in the House the following day over the cost of the Naval College. Despite the Minister's emphasis of the cuts which had been made before the Estimates were submitted to Parliament (Charlton admitted that the Navy vote was lower than for the previous year), Watt moved that the vote be reduced by £200,000, 'a substantial reduction to test the Government's desire for economy and to reflect the feeling of our envoy in Washington in favour of Naval disarmament'.\textsuperscript{18} Watt took as his justification 'the example of Great Britain'. It was ironic that Hughes' catch-cry should be used against him.

Hughes was clearly intent on using Empire resources to offset the effect of defence reductions in Australia. However, as has been seen, the 1921 Imperial Conference failed to provide the desired result because the British Government, facing its own economic problems, was hoping that the Washington Conference would lay out a scheme for naval disarmament which would meet Britain's needs. Thus the Hughes Government continued to cut the naval Estimates while drifting without a policy from Conference to Conference.

Hughes could well claim in Parliament, while defending his Government against the charge of extravagance in defence

\textsuperscript{17} CPD, Vol. XCVIII, P. 12943.

\textsuperscript{18} ibid., p. 13626. The proposed vote was £2,340,438 compared with £2,279,238 voted in the Estimates the previous year and £2,429,050 spent.
spending on 9 September 1920,

...although we have not done our share in naval
defence of the Empire as compared with Britain,
we have, when compared with the other Dominions,
done more than our share.19

He was also fond of reminding his audience that there was
a time when Australia paid more for naval defence than the
rest of the Dominions had paid in all their history.
However, such a comparison had little influence on a hard
pressed British Government. Hughes could not expect
Lloyd George to persuade his Cabinet to make sacrifices in
re- ordering their financial priorities to honour a moral
obligation to defend the Empire (or, more correctly,
Australia) if Hughes was unable to persuade his own
Cabinet to make the same sort of sacrifices.

A general reduction of naval armaments offered Empire
leaders the only visible solution to the problems created
by the financial reductions insisted upon at home as well
as reconciling their friendship with the United States with
the need to continue an alliance of some form with Japan.20

At the British Cabinet meeting on 30 May 1921, when the
Government's policy was discussed, the minutes show how closely

19 CPD, Vol. XCIII, p. 4392. Hughes compared the British
expenditure on naval defence of £1.16.3 per head of
population with the Australian expenditure of 12/6d, and the
British expenditure on military forces of £2.13.9 per head
with the Australian expenditure of 12/4d. In 1923 he
objected to Australia paying so much in defence of the
Empire when the other Dominions were paying so little. The
figures he gave then were Australia 8/2d, New Zealand 4/7d,
figures he gave then were Australia 8/2d, New Zealand 4/7d,
South Africa nil, and Canada 1/4d per head of
South Africa nil, and Canada 1/4d per head of
population. He gave no figures for Britain but argued that
population. He gave no figures for Britain but argued that
it was reasonable for Britain to pay a larger amount as she
it was reasonable for Britain to pay a larger amount as she
had interests in India and other areas. CPD, Vol. CIV, p.1782.

20 Well before the 1921 Imperial Conference the Dominion
Prime Ministers were known to be anxious to discuss the
Alliance. The Canadians were known to be against it. The
Alliance. The Canadians were known to be against it. The
Indians were known to be unhappy about it. The Australians
Indians were known to be unhappy about it. The Australians
and the New Zealanders were known to be in favour of it for
and the New Zealanders were known to be in favour of it for
the want of a better solution. The Japanese would have been
the want of a better solution. The Japanese would have been
offended if the Treaty were not renewed and the United States
offended if the Treaty were not renewed and the United States
would have been offended if it were. See J. H. Nish,
would have been offended if it were. See J. H. Nish,
Alliance in Decline: A Study of Anglo-Japanese Relations,
Alliance in Decline: A Study of Anglo-Japanese Relations,
the idea of disarmament was linked with the renewal of the Treaty.\textsuperscript{21} The meeting decided to ask the American President to convene a conference of Pacific Powers in the hope that a multi-Power arrangement would result which would include Britain, Japan and the United States in such a way as to supersede the Treaty and thus avoid offence to either the Japanese or the Americans.\textsuperscript{22}

When the invitation from President Harding, to a conference on limitation of naval armaments and the relations amongst the major naval Powers of the Pacific to be held at Washington late in 1921, was issued to the British Government, Hughes had good reason to offset his pique at being left backstage. It was politically necessary for both Britain and Australia that the conference should succeed in reducing the risks that they were facing in the Pacific. As Poynter has shown, Hughes was faced with the problem of balancing Australian independence with cooperation in supporting British politics.\textsuperscript{23} It was a

\textsuperscript{21} Cab 23/25, 43rd Meeting Cabinet, 30 May 1921.

\textsuperscript{22} The importance which British Ministers placed upon the way in which policy was expressed, and the source through whom it was expressed, has already been commented upon. In this case, once Cabinet had decided on a conference, the Lord Privy Seal, Mr Austen Chamberlain, remarked in relation to the issuing of invitations, 'It would have a very good effect if we could get the President to do it'. Work by Vinson, as well as H. and M. Sprout, indicates that the idea of a conference on naval armaments was not unique to the British Cabinet. R. and M. Sprout, \textit{Towards a New Order of Sea Power}, 1946; J. C. Vinson, \textit{The Parchment Peace}; \textit{The Sea Power, 1946}; 1921-22, United States Senate and the Washington Conference, 1955. The result of the Cabinet Meeting of 30 May was a diplomatic approach to the United States which had the effect of initiating arrangements resulting in the Washington Conference. Having successfully engineered the invitation Conference, the British Government lost control from President Harding, the British Government lost control of the situation and the initiative passed to the Americans. See Roskill, \textit{Naval Policy}, p. 301.

problem of minor proportions that the form of Harding's invitation could be construed as a set-back to the Dominions in their aspiration to be recognised as independent states in world affairs. Hughes, in common with other Empire premiers, took his time in accepting Lloyd George's invitation for the Dominions to send a representative each as part of the British delegation. However, these and other histrionics were window dressing rather than fundamental statements of policy. General Smuts could well make bellicose speeches in Pretoria protesting against the slight and threatening not to attend, but South Africa was further from Japan than was Australia. It is noticeable that Hughes in his speech to Parliament on the same subject was not as vehement as Smuts, and with good reason. The Australian Government had, during the latter stages of World War I and in the early 1920s, collected much information about Japan and believed Australia to be threatened both in the short and long terms by Japan unless some agreement could be reached between Britain, the United States and Japan.

When the Washington Naval Conference met in November 1921 it was dominated by American views. American suspicion of the way separate votes by the Dominions would be used by British leaders prevailed in the arrangements for Empire representation at the Conference. As a result the Australian representative, the Minister for Defence, Senator G. F. Pearce, sat as a member of the British Delegation instead of having the independent status which Hughes had

25 Cape Argus, 24 October 1921, cutting in CAQ, A981, Disarmament I part II.
28 Hughes had wanted to attend the Conference himself but there was considerable opposition to this in Parliament and Pearce was sent in his stead. See Vinson and Poynter, op.cit.
enjoyed at the Peace Conference. Secretary of State, C. E. Hughes, stamped American influence firmly on the Conference by using the formal opening ceremony as the occasion to present detailed proposals, hitherto a carefully guarded secret, for a ratio of capital tonnage and restrictions on other classes of vessels.

The British Government had little option but to accept American dominance. Lloyd George's assessment of the British economy has been cited. Rear Admiral Sir Ernle Chatfield, who was in Washington as assistant to Admiral of the Fleet, the Earl Beatty, made the point even more starkly when he wrote:

...in my opinion...the ratio of 15, 15, 9 is irreconcilable. It really ought to be 20, 15, 10, but we have already accepted as a nation equality with the United States and this in itself cannot be reconciled with our requirements in the world. We did not accept it from a strategical standpoint, it was forced on us by the financial standpoint. 29

It was well recognised in naval circles that with the level of naval construction which Britain could afford, compared with the United States and Japan, the RN would be overtaken by the USN in terms of capital ships by 1923/4. That fact was exacerbated by the age of the British ships which were nearly all pre-Jutland in contrast to those of the United States and Japan which had built a large proportion of their capital ships since the experience of Jutland. Chatfield's feeling was, however, that the Empire might yet get out of the difficult situation in which it found itself. The Empire was not giving away anything which was not going to be taken from it within a few years and limiting the naval construction programmes of both the United States and Japan was a gain. The short term advantage, however, was offset in the long term by a rigid adherence to limits which others were prepared to break. This adherence, together with the...

29 Chatfield to Keyes, 29 November 1921. Keyes Papers, NMM. Admiral of the Fleet, the Earl Beatty, First Sea Lord, November 1919 to July 1927. Chatfield was Third Sea Lord, April 1925 to November 1928; C in C Atlantic Fleet, April 1929 to May 1930; C in C Mediterranean Fleet, May 1930 to October 1932; First Sea Lord, January 1933 to November 1938. Baron Chatfield, 1937.
ten year rule, engendered a frame of mind in service chiefs which accepted that it was improper to make more than moderate demands for service finance. 30

At the Conference Pearce had little weight in naval matters. The central issue - the arrangement for the ratio of capital ship tonnage - was hammered out by Lord Balfour, Secretary of State Hughes and Baron Kato in private and presented to the Conference as a reasonably finished product. There is no evidence to suggest that the Dominions had any influence in the matter, even within the British delegation. The original proposal was put to the Conference in reasonably polished form by Secretary Hughes. Consideration of the details was left in the hands of the naval advisers. Pearce did not have an Australian naval adviser with him, but accepted Admiralty advice. Nor were France or Italy allowed a chance to discuss the details in a fashion which might have caused the three major naval Powers to amend their proposals. 31 The American proposals contained lists detailing each ship to be scrapped by the three major Powers and the lists were discussed without reference to Pearce. Secretary Hughes had treated the British Government as the spokesman for the Dominions and his proposal treated the RN as the controlling body of the RAN. HMAS Australia was included along with HM ships on the list of British ships to be scrapped. Pearce telegraphed to Hughes:

Have ascertained that American naval proposals involve scrapping of 'Australia'. Understood from naval experts that, if naval proposals

30 Chatfield, It Might Happen Again. p.79.

31 CO, A 981, Disarmament Part III. 'Report of the Australian Delegate'. Prior to the Conference, Hankey described Pearce as 'not likely to contribute very much wisdom'. Boskill, Hankey, Vol. II, p. 240. The Hughes Government, under pressure in Australia, was not in a position to urge its views forcefully on the British Government. Furthermore, Hughes rearranged his Cabinet in the middle of the Conference and Pearce was moved from Defence to Home and Territories, an event of which he was informed by cable. Heydon, however, recounts Balfour's comment to Bruce that Pearce was 'the greatest natural statesman he had ever met'. P. Heydon, Quiet Decision, p.107.
put before recent Imperial Conference are
carried into effect, scrapping of 'Australia'
will not prejudicially affect safety of
Australia.32

Despite the unpopularity of his appointment within the Labor
Party and sections of the Press, Pearce upheld Labor's
disarmament ideals by supporting the British move at the
Conference to abolish submarines. When that move looked
like failing, he initiated an attempt to have the range of
submarines limited so that they could be used only for local
harbour defence. However that proposal also failed.33

The result would have differed little even if Hughes
had been there in person. It is interesting to note, in
passing, that Hughes was to claim later in Parliament that
Pearce's position at Washington had been the same as his at
Paris.34 Certainly from a constitutional point of view this
could be argued to be the case as Australia was required to
ratify the treaties as an independent State and Pearce signed
the final accords at the close of the Conference. In Paris,
however, Hughes represented a nation which had been in the
war since the declaration. He could also point out that
Australia had suffered more casualties than the United States.
At Washington, in a Conference dominated by Americans who

32 Pearce to Hughes, 3 December 1921, CAO, A981, Disarmament
Part III. Regarding the inclusion of HMAS Australia in the
quota to be scrapped, Pearce noted in his Report:
The provisions of the Naval Treaty necessarily
treat the navy of the British Empire as a whole,
and, consequently, in the application of the
provisions relating to the total tonnage,
scrapping and replacement, regard must be had to
the navies of the dominions as well as the navy
of the Mother Country.

Conference on the Limitation of Armament Held at Washington
12 November 1921 to 6 February 1922. Report of the

Neither the Commonwealth Archives nor the Public Records
Office collections shed light on what pressure, if any, was
brought to bear upon Pearce to agree to the provisions of the
Treaty. On the face of it, it seems that Pearce consented
fairly readily.

33 A981, op. cit., 28 November 1921 and 14 January 1922.

were suspicious of the use which might be made of separate
Dominion votes, Australia was of little consequence.

In terms of fostering a maritime tradition, HMAS
Australia would have been of considerable value had she
been kept as a floating museum. In making this point
Feakes repeats Patey's comment in 1914:
The presence of the Australia on the Station
means a great deal to the Australian people.
She is the visible sign of their naval power.

Feakes was clearly aware of the importance of a sense of
public identity with the RAN. Of the scuttling of Australia
he wrote:

a deadly blow had been struck at sensitive
spiritual values. The Australia had been a
real living force in the lives and thoughts
of many of the people. With Australia there
vanished beneath the waves much local
enthusiasm for Navy of a valuable, even if
sentimental, nature.\

Several private schemes were put to the Australian Government
for the retention of Australia as a memorial but were rejected
by the Government's naval advisers on the grounds that
nothing short of scuttling would satisfy the terms of the
Naval Treaty and both British and Australian Governments were
anxious that the Treaty should be effective. A need to
foster the slight sense of maritime tradition which had
grown up with the acquisition of the Fleet Unit was
discerned by neither the ACNB nor the Australian Government.

Nevertheless, the results of the Conference were a
tremendous relief in both Britain and Australia. It enabled

35 Feakes, White Ensign, p. 214.

36 COCP 447/3, SC 15 [42]. The Admiralty were consulted on the
possibility of the ship being used as a memorial or as a breakwater at Coffs Harbour. The Admiralty opposed the
suggestions as neither would fulfil the conditions of the
Treaty. In view of the latitude allowed Japan over the Matsu
Treaty. In view of the latitude allowed Japan over the Matsu
Treaty. In view of the latitude allowed Japan over the Matsu
Treaty. In view of the latitude allowed Japan over the Matsu

the voluminous correspondence received by the Government
protesting against the sinking of the ship.
both Governments to evade an apparent impasse as regards the immediate arms race and went some way towards ordering the power struggle in the Pacific. The Treaty, by prohibiting the fortification of Pacific territories, made pre-emptive attack on Japan virtually impossible and should have alleviated Japanese fears of the United States. However, the Japanese were aggrieved by the loss of face involved in accepting an inferior ratio, especially in the light of the importance which the United States placed upon having an equal ratio with Britain. For Australia, the arrangements meant that Japan would not be able to use the newly acquired mandated territories from which to mount a surprise attack on Australia and potential friction between Britain and the United States had been avoided. The sense of relief felt by Pearce is indicated in his report to Parliament on 27 July 1922:

I say advisedly that at the conclusion of the Conference there was no nation with whom the United States of America were more friendly than with the British Empire and the British people. No nation stood higher in the estimation of the United States of America. I do not say the Conference was solely responsible for that. I know another great factor...had an effect, namely the bringing forward of the Irish Treaty. These two great nations have brought themselves to a complete and common understanding and it will take a very great wrench to ever part them again.37

Pearce's use of the terms 'nation' and 'British Empire and British people' in such a synonymous fashion indicates the extent of Pearce's ideological metamorphosis over twenty

37 CPD, Vol. XCIX, P. 822.
years in regard to his concept of Australia's place as a separate nation within the Empire framework. 38

Regarding future relations with Japan, Pearce was optimistic:

I believe now that Japan is earnest and sincere and the course which her statesmen took at Washington, and which her new Prime Minister has announced he will pursue, is actually the policy which she now intends to follow. 39

On these grounds Pearce felt able to state that there was not the slightest doubt that ratification of the Treaties would allow Australians to devote their energies to the arts of peace and to the development of their nation. He was appalled to think of the expense which Australia would otherwise have had to face. Hughes echoed the same relief when he claimed:

Of all those countries who sat around that Conference table, Australia was the most vitally concerned. None had so much to lose. We have a coastline to defend which is far beyond the powers of five and a half million people. 40

The Washington Conference is the clearest manifestation in the immediate post-war period of the place of the RAN in the framework of the Empire. Australia could take responsibility for a mandated territory and hold a seat on the League of Nations but in terms of naval capacity (and, by implication, in terms of foreign policy) Australia was

38 See J. A. Merritt, 'George Forster Pearce: Labour Leader', M.A. Thesis, University of Western Australia, 1963, for an account of how the responsibilities of office qualified the early nationalistic views of Pearce and the other early Labor leaders. Of the formative years he says, 'Perhaps the development of Defence Policy between 1901 and 1910 revealed to the world the first glimpse of a developing conservatism which has ever since marked the Australian nation', p. 303. Merritt holds that defence produced a conformism which prostituted the Labor Party's social radicalism. This view is obviously only one part of the problem. Rather was defence one of the several imponderables of office which jointly modified ALP ideals.


40 ibid., p. 783.
still a subordinate member of the Empire for which the
British Government was responsible. Concerning the
possible arrangements to replace Australia if that were
considered desirable, Pearce wrote in his report:

There is, of course, nothing in the Treaty to
prevent one of the vessels retained by Britain
being allotted for service in Australian waters
should such a course be agreed upon between the
Imperial and the Australian Governments. 41

In his use of the term 'Imperial', as distinct from the
term 'British', Pearce implies admission that Britain still
held the final authority in Empire matters morally if not
constitutionally. 42

Pearce's concept of a British vessel being allotted
for service in Australian waters took Australian naval
policy closer to the pre-1909 system than had been envisaged
at any time since that date, even during the war. The fact
that Pearce tended to include the RAN as part of the RN may
have had little effect in the short term, but it implicitly
emphasised the dependent side of the Australian position
within the Empire relationship. Australia could possess a
capital ship in the future only in contravention of the
treaty or by grace of the Admiralty transferring control of
one of their ships. Later conferences were to extend the
limits imposed upon the RAN by the unity of Empire
assumption.


42 The following year, Hughes took Mr S. M. Bruce to task
prior to his departing for the 1923 Imperial Conference for
his imprecise use of the term 'Imperial'. Hughes objected
with the term 'British', saying:
In this...connection the word 'Imperial'
the Royal Navy and the British Army.
the United Kingdom, the British Government.
CPD, Vol. CIV p. 1777. For an examination of Britain's
leadership of Imperial foreign and defence policy see
D. C. Watt, 'Imperial Defence Policy and Imperial Foreign
Policy, 1911-1939: A Neglected Paradox?' Journal of
Commonwealth Political Studies, Vol.1, No.4, 1963,
pp. 266-281.
At the time, however, the Conference rendered less alarming the limits already placed upon the RAN by financial considerations in Australia. It mitigated the weaknesses in Britain's ability to defend the Empire by reducing international tension in the Pacific, and it augmented the sense of optimism for the orderly settling of disputes between the major Powers which had been established with the formation of the League of Nations. In addition, the degree of cooperation between Britain and the United States held out hope for further naval cooperation between those two nations. It seemed possible that a modest outlay upon a naval contribution to Empire defence would ensure Australia reasonable security, the details of which would be finalized at the 1923 Imperial Conference.
CHAPTER FIVE

THE 1923 IMPERIAL CONFERENCE AND THE IMPACT OF THE
MacDONALD GOVERNMENT

By 1923, the height of the economic crisis had passed and was seen to have passed. Although the British economy was by no means healthy, nor in the hands of leaders who were capable of adjusting to the serious changes wrought by the war, the immediate restrictions could be eased. In Australia, too, the short-term boom and subsequent slide into recession in 1921 had evened out. The pressure in the electorate and in Parliament for stringent economy in Government spending was easing, although the public debt was still high and the drain of war service indebtedness was

1 In April 1921 the British bank rate, which had been kept at the then staggeringly high level of 7 per cent for a year, was eased and was slowly reduced to 3 per cent by July 1922. Prices were down from the heady levels of mid-1920 to what they had been in early 1919 and remained fairly steady until 1925. The short-term debt had been greatly reduced by 1925. The note raising the interest rate on long-term capital. The note issue was reduced. The budget was balanced and a favourable foreign balance of payments restored. In the words of Pollard:

Pollard: ...from 1922 onwards it was even possible to pursue more normal policies appropriate to a slump...and a slight recovery was nursed up in the 1922-24, though the preparations of the 1922 Authorities for the return to gold [standard] helped hold it back well below the recovery of other countries.

S. Pollard, Development of British Economy, P. 217.
diminishing only slowly. With some semblance of order apparently imposed upon international affairs by the Washington Treaties, both the domestic and international situation seemed to be conducive for the settlement of unfinished business from the 1921 Imperial Conference and the Washington Conference. It was generally hoped in both Britain and Australia that the Imperial Conference arranged for October 1923 in London would begin an era of stability in Empire relations.

Between the Washington Conference and the 1923 Imperial Conference, however, conflict in the Near East, which culminated in the Chanak crisis, strengthened the hands of those, especially in Canada and South Africa, who wished to place more emphasis on the independent status of the Dominions than upon the unity of the Empire. Australia was again torn between the need for ultimate British protection and the desire to continue developing an independent stance. The Chanak crisis and the unfortunate handling of Dominion participation in Empire foreign policy by Lloyd George and Churchill highlighted problems of communication in the Empire relationship. Details of the incident have been well covered elsewhere, particularly by Walder and Sales. Suffice it to note here that the British Cabinet's attempt to use the emotional lever of Gallipoli to bring pressure to bear upon the Hughes Government to support British involvement in the issue was as inept as it was misguided.

2 Unemployment was down from 11.2 per cent in 1921 to 7.1 per cent in 1923. The wholesale price index had dropped from 2,480 in 1920 to 1,944 in 1923 and was down to 1,844 by 1925. Retail prices taken on six commodities and averaged over the capital cities were down from 42/- in 1920 to 34/8 in 1924. The bank rate had remained steady and Australian trade had not suffered as much as British trade. *Year Book of the Commonwealth of Australia*, 1926.

3 For a discussion of Canadian attitudes towards the 1923 Imperial Conference, see J. Eayrs, *In Defence of Canada*, Vol.I, Chapter IV.

In Australia it raised the spectre of Belgium 1914 with all the possibilities of the nation being dragged into another war without being consulted. In this case, there was little of the sense of rightness of the cause which had existed in 1914. Even so, there was considerable public pressure on Hughes from within Australia to maintain the unity of the Empire.

For Hughes, Chanak was a crisis of Imperial consultation. From his point of view the best solution was to change the channels of communication to by-pass the Governor-General and the Secretary of State for Colonies. In this he was unsuccessful but the problem was placed high on the list of points to be considered at the 1923 Imperial Conference. The discussion of Imperial consultation was embittered by the British Cabinet's refusal to allow Australian representation at the conference which was to negotiate a revision of the Treaty of Sèvres, despite the call for Australian support in the hour of danger and the part which Hughes had publicly played in supporting a negotiated settlement.

S. M. Bruce, who succeeded Hughes as Prime Minister of Australia in February 1923, shared Hughes' concern for Imperial consultation. For Bruce, at this point in his career, the primary issue in Empire relations was to secure greater Australian influence within the Empire. Speaking in the House of Representatives on 19 June 1923, prior to leaving for the Imperial Conference, Bruce said:

I am going to Great Britain to see if, in the interests of the Empire, we can devise some scheme that will make for our future safety without placing an intolerable burden upon our

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5 Sales,'Hughes', p. 400.

6 In briefing the British Cabinet on the forthcoming conference, Balfour said on 1 November 1922:

What he desired was that the Dominions and India would allow him to represent them, and he could assure them that he would keep their interests constantly to the fore.

Cab 23/32, 64th Meeting Cabinet, 1 November 1922.
shoulders or the shoulders of the people of the Mother Country.  
Withdrawal from the Empire because of the danger of being drawn into a war as a result of British policy was not an acceptable alternative. Australians, Bruce argued, were the 'purest bred race on the face of the globe' but they needed a protector:

Australia without an alliance with some nation - and I say the proper alliance is one within the Empire - cannot protect herself from aggression without placing such a burden upon the shoulders of her people as would seriously interfere with the development of this country.  

Bruce had in mind a 'properly coordinated defence scheme within the Empire, and particularly a naval defence scheme'.

When tabling the Agenda for the Conference in the House on 24 July 1923, Bruce made it clear that he regarded Australia to be automatically committed to the consequences of British foreign policy. However, the consequences of such commitment were emphasised by the Chanak crisis and served to strengthen Bruce's resolve to increase Australia's influence over British foreign policy. Chanak, he said, was:

a situation which should never have arisen and...one we should take all pains to prevent from arising in the future.  

Bruce was pessimistic about the effectiveness of the Washington Conference - 'one wonders how much was really accomplished by the Washington Conference' - and he saw clearly the inherent conflict, at least in logical terms, of

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7 CPD, Vol. CIII, p.169.

8 ibid. It is interesting that Bruce should use the less emotionally evocative term 'alliance' rather than more emotive terms usually used at the time to describe the Empire relationship. There is little evidence that his audience thought in such legally precise terms. Neither did Bruce regard the Empire relationship solely in terms of an alliance. In consequence, the emotional and traditional alliance. In consequence, the emotional and traditional alliance tended to prevent its value as elements of the relationship tended to prevent its value as an alliance being adequately assessed in Australia.


10 ibid.
Australia's involvement as an independent state within the Empire - 'we have to try to preserve Australia's individuality in regard to naval defence, whilst bringing about that unity which is essential to an Empire defence scheme'. As a result, Bruce was constrained to support the emphasis on Dominion individuality which had been manifest at the previous Imperial Conference and over Empire representation in Washington. However, while Canada and South Africa were free to lead Empire relations in this direction during the 1920s, Australian perceptions of the Western Pacific/Far East becoming the centre of international conflict forced Bruce, like Hughes, to adopt a more conservative position in practice within the Empire relationship.

The preparations for the 1923 Imperial Conference were particularly important for the Admiralty. Through them the Admiralty came to terms with the independent aspirations of the Dominions and embraced the concept of separate Dominion Fleets without its previous reservations. A key element in the final conversion of the Admiralty was a paper from Plans Division, signed by Captain A. D. P. R. Pound as Director of Plans. In that paper the Admiralty's attempts since 1918 to dissolve the Dominion Fleet concept were examined and rejected as a viable policy. Pound urged that a policy of developing separate Dominion navies should be accepted wholeheartedly. It was well known in Australia, he claimed, that the Admiralty had not been wholehearted in this regard since 1911 and this had done the RAN 'incalculable harm'. He then went on to attack the crux of the problem by emphasising the limited resources for development of fleets in the Dominions. There was, he warned, a danger that asking the Dominions to establish fuel reserves on a scale necessary for the Imperial Navy would siphon off funds for ships:

\[11\] ibid., p. 1485.
The result may be that Dominions will accumulate bricks and mortar instead of ships and men; their naval forces may in effect be stunted.\textsuperscript{12}

He then went on to argue how a Dominion navy, until it reached a certain stage, would be unable to maintain a healthy growth without outside assistance in matters of training of higher ranks and ratings, the circulation of personnel, and the opportunity for ships to work together in fleet groups. Although Pound did not state the conclusion explicitly, it was upon Admiralty acquiescence in this principle of dependence, and upon cooperation by Australian Ministers, that the viability of the RAN as a separate Blue Water navy depended. Herein lies the basis and the paradox of Australian naval policy throughout the period.

CID Papers 194-C and 195-C which were presented to the Australian Government prior to the Conference indicate that the Admiralty had not only embraced once again the idea of separate Dominion navies, but also pinned their hopes upon them as one means of reducing the financial burden of their own world wide commitments. The Admiralty envisaged further reductions in British units owing to financial problems, and looked to an expansion of Dominion fleets to fill the gaps. The British Empire as a whole was formally limited to a One Power Standard by the Washington Conference. In early drafts of 194-C the Admiralty envisaged a time when the RN would be 50 per cent of the total and Dominion fleets would make up the remaining 50 per cent.

When the preliminary drafts of the papers were put to the Standing Defence Sub-Committee of the CID, the precise 50 per cent quotas were made more general in their wording and mention of the Washington Conference was dropped because its provisions applied only to capital ships, whereas the Dominions were to be advised to concentrate on light cruisers

and smaller vessels. The Sub-Committee noted that the question of Dominion capital ships would have to be left until the time arrived under the treaty for the replacement of obsolescent ships. 13 Although the Admiralty concepts were modified in their mode of expression, the point remains that the Admiralty saw Empire defence as a means of persuading the Dominions to shoulder a greater proportion of the expenditure on the naval defence of the Empire, while Britain concentrated its contracted financial resources more upon the defence of her own interests. The CID did not take exception to that view.

The point that Britain was also looking to Empire defence as a means of reducing defence expenditure does not seem to have penetrated to Australian leaders who seem consistently to have failed to realise the difference between the Australian Government's view and the Admiralty's view of Empire defence. Bruce accepted the point made repeatedly by the Admiralty that Australia could not be defended against Japan from her own resources and thus needed the RN. He saw the RN as relieving the strain of defence expenditure in Australia, although he did provide the most comprehensive defence equipment programme prior to 1936. The Admiralty approached Empire defence from the point of view of expecting the Dominions to do more, not less. The closest Australian leaders came to comprehending the difference was the realisation that a One Power Standard fleet would not give the Empire sufficient protection in a two theatre war. 14 A direct consequence of this was the later excessive preoccupation with a base at Singapore - a subject which will be discussed shortly.

The paper finally put to the Imperial Conference as CID Paper 194-C, 'Empire Naval Policy and Cooperation', outlined the naval situation as a result of the Washington Conference, dealt with the classes of vessels felt to be most

13 Adm 116/2247.
14 CMG, CRO A2029, Council of Defence, Minutes of Meeting 30 August 1922.
suited to Dominion navies, touched on air power and finally
dealt generally with force levels. It is enlightening to
examine the detail (or lack of detail) of the Empire-wide
structure which was proposed. The most significant
practical effect of the situation resulting from the
Washington Conference was that the United States had been
precluded by lack of bases from establishing a major naval
presence in the Western Pacific. In the event of Japan
becoming aggressive, the British Empire would be the only
power in a position to apply restraint. According to the
Admiralty, the main fleet could not be divided into
detachments in peace time. Political considerations made it
impossible to station the fleet permanently in the Far East.
The prime need was thus a capacity for rapid concentration.
Singapore was the most suitable point for concentration in
the Far East and the establishment of a replenishing and
repair base there was a keystone of the policy of
concentration. The Main Fleet, normally based nearer Home
Waters, would be sent to Singapore in time of threat. The
Admiralty were planning in 1923 to station a cruiser force
at Singapore when a base was completed. Because of the time
needed for the Main Fleet to arrive at Singapore (originally
given as one month to six weeks), the enemy's most obvious
course was considered to be to attack Singapore in the
interim. The main task of Empire naval forces in the
Western Pacific would be to delay and harass such an
operation. For this reason Australia was advised to acquire
light cruisers of great endurance and long-range submarines
which were suitable for offensive action or scouting against
superior forces. Destroyers were seen as essentially a
fleet weapon, uneconomic for escort duties or local defence,
and were not advised. Fleet-borne aircraft were
recommended.

Interdependence of the various parts of the Empire upon
one another was a fundamental element in the Admiralty's
concept of Empire defence, based as it was upon a One Power
Standard fleet. The Admiralty warned:
It follows that continuity of Naval Policy is vital if the Empire is to remain secure. An unforeseen reduction of its Naval forces by one part of the Empire cannot be counterbalanced at short notice by a corresponding increase elsewhere, even if finance and popular opinion permit. 15

In the face of Canadian and South African reluctance to construct sea-going naval forces as a contribution to Empire defence, the value of the Empire defence scheme for the ultimate protection of Australia could be prejudiced. 16 There were already ample indications that the Washington Conference had not lessened the international dangers to Australia at the same time as it had lessened the naval arms race in terms of capital ships. 17 It became obvious after the 1923 Imperial Conference that, as South Africa, Canada, India and Ireland did nothing immediately about sea-going naval forces, Empire defence, as Australian leaders used the term, really meant a special naval relationship between Australia and Britain which included New Zealand in a lesser capacity.

CID Paper 195-C, which dealt with details applicable to the RAN, advised a building programme to commence in 1924 to give Australia four light cruisers to replace the existing cruisers on a programmed basis, with the last cruiser being laid down in 1933, and six overseas patrol type submarines with the last submarine laid down in 1928.

15 Adm 116/2247.

16 Both Canada and South Africa regarded sea-going naval forces as instruments which would bind them more closely to Britain because of the infrastructure necessary to support such forces. At the same time, neither Canada nor South Africa was threatened by Japan - the only conceivable threat of the period. Unlike Australia and New Zealand, the other two Dominions could afford to pay less attention to defence. They were less dependent on British naval protection and could afford to emphasise their independent status. See Eayrs, Defence of Canada, Vol. II, and R. A. Preston, Canada and Imperial Defence, 1967.

17 Roskill has shown how the terms of the Washington Treaty led directly to a cruiser building race. Naval Policy, pp. 351-354.
The total cost, including £200,000 set aside for Auxiliary Patrol Vessels when a satisfactory design of vessel was evolved, was £10,000,000 which was averaged over 14 years at £750,000 per year. At the same time, a contribution of £1,600,000 spread over eight years was suggested toward the Singapore base (though it was envisaged that this sum would be offset by the purchase of raw materials in Australia), and the establishment of oil reserves was urged. The Admiralty suggested the oil reserve of 200,000 tons be built up over eight years, together with associated equipment at a cost of £1,000,000. Three quarters of the reserve was to be stored in a northern fuelling port, tentatively suggested by the Admiralty as Bynoe Harbour, near Darwin. Bruce's five year defence plan, laid down in 1924, followed this advice faithfully, at least at the outset.

When the two CID papers are taken in conjunction, the primary objectives assigned to the RAN are seen to be the protection of communications in the Australian area, and the harassment of enemy operations against Singapore prior to the arrival of the Main Fleet. The former aspect was seen in terms of protection against surface threats. It was, apparently, considered that a submarine threat to trade in Australian waters would not arise and an anti-submarine capability was therefore not placed high among RAN priorities. The cruisers were general purpose ships but were not suitable for anti-submarine warfare for which destroyers or sloops were necessary. The submarines advised for Australia were long range ocean-going boats, not suited to protecting trade routes but useful for harassing hostile operations against Singapore as well as for reconnaissance and intelligence gathering. It was recommended that arrangements be made to take up a merchant ship at the outbreak of war to act as a seaplane carrier. No provision was advised for a naval oil tanker to work with the squadron, but the Admiralty did advise that three quarters of the cruisers' oil reserve be stored at Darwin and that half the oil reserves for the projected six submarines be located at Darwin while the other half should
be located at Singapore. In its harassment role, Admiralty planners envisaged that the Australian squadron would use Singapore and Darwin as its two bases of operation. 18

CID Papers 194-C and 195-C were discussed by Bruce with the Council of Defence in Australia on 30 August 1923. The matter which Bruce was most concerned to pursue was the proposed Singapore base. During a lengthy discussion of the strategic considerations upon which the base proposal had been founded, the following points were considered. Captain G. F. Hyde, Acting First Naval Member, was not aware of the exact force of ships the Admiralty intended to station at Singapore but felt that as long as the proposed base was made secure from attack it would provide reasonable safety for Australia against Japan. Lt-Gen. Sir Harry Chauvel, newly appointed Chief of the Australian General Staff, informed the Council he had received private advice of increasing opposition growing to the base in Britain. Lt-Gen. Sir Brudenell White, recently retired Chief of the Australian General Staff, raised the point of Britain's One Power Standard navy and cautioned that, if some of the fleet were held in Britain in the event of war with Japan, Australia would be in serious danger. He also emphasised that the rise of a powerful European naval Power could not be confidently precluded from the long-term strategic

18 Adm 116/2247. The advised building programme was summarised as:

<table>
<thead>
<tr>
<th>Type of ship</th>
<th>Approximate year laid</th>
<th>Approximate Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Light Cruiser replace Melbourne</td>
<td>1924</td>
<td>£2,000,000</td>
</tr>
<tr>
<td>1 Light Cruiser replace Sydney</td>
<td>1924</td>
<td>£2,000,000</td>
</tr>
<tr>
<td>1 Light Cruiser replace Brisbane</td>
<td>1933</td>
<td>£2,000,000</td>
</tr>
<tr>
<td>1 Light Cruiser replace Adelaide</td>
<td>1924</td>
<td>£600,000</td>
</tr>
<tr>
<td>2 Submarines</td>
<td>1926</td>
<td>£300,000</td>
</tr>
<tr>
<td>1 Submarine</td>
<td>1928</td>
<td>£900,000</td>
</tr>
<tr>
<td>3 Submarines</td>
<td>To await design</td>
<td>£200,000</td>
</tr>
<tr>
<td>Auxiliary Patrol Vessels</td>
<td>developments</td>
<td>£10,000,000</td>
</tr>
</tbody>
</table>
assessment. Sir John Monash felt the existence of a base at Singapore would act as a restraining influence on Japan, a point that the Council was unanimously agreed upon. Discussion then turned to the possibility of concerted action between Britain and the United States. The Council agreed that if such a concert were to be available against Japan, it would be of little assistance to Australia without Singapore because of the lack of bases sufficiently close to Japan to bring decisive force to bear. Thus Bruce went to the 1923 Imperial Conference armed with the opinions of his service advisers that a base at Singapore and a British fleet to operate from it were important elements Australian defence but not a substitute for Australian defence forces. 19

The Imperial Conference met in London between 1 October and 8 November 1923. Most of the detailed business regarding Australian naval policy was conducted in ad hoc meetings at the Admiralty. In the plenary sessions there was some discussion of the projected Empire cruise by Admiral Field's Special Service Squadron, led by HM Ships Hood and Repulse, and a broad scheme of Empire defence was discussed at some length. However, the majority of Dominion delegates were concerned to emphasise the independent status of their Dominions and the scheme for Empire defence was so

19 CAO, CRS A 2029, Council of Defence, Minutes of Meeting 30 August 1923. Hyslop appears to have overlooked this discussion of the Conference papers by the Council of Defence. His comment that 'specific suggestions from the Naval Board for consideration at the Imperial Conference of 1923 were hardly impressive' seems to have been made on the assumption that details of the officer exchange scheme were 'the first and only matter for the Board to put to the Government'. His comment does not take account of the ACNB's contribution to the Council of Defence discussion and the advice which Bruce finally took to London with him. R. Hyslop, Australian Naval Administration, 1900-1939, P. 170. In this case, Bruce presented its views at the Council rather than directing them straight to the Minister, as was the usual practice.
qualified to avoid specific commitments from the Dominions that it had little practical value as an Empire-wide defensive alliance. 20 The Conference agreed it was necessary to provide adequate defence for each part of the Empire, accepted the guiding principle of it being the primary responsibility of each part to provide its own local defence, and emphasised that adequate provision should be made to keep sea communications open and to provide naval supply and repair bases. The Conference was united on the desirability of maintaining Empire naval strength at the maximum allowed by the Washington Treaties. However, with the emphasis on independence of the Dominions in mind, the Conference added one important qualifying factor which negated implementation of the above points:

...the Conference expressly recognises that it is for the Parliaments of the several parts of the Empire, upon the recommendations of their respective governments, to decide the nature and extent of any action which should be taken by them. 21

This qualification bore out the need for the Admiralty's warning in CID Paper 194-C, quoted previously, that:

an unforeseen reduction of its naval forces by one part of the Empire cannot be counterbalanced at short notice by a corresponding increase elsewhere. 22

Failure to heed this warning led to later shortcomings in Empire defence arrangements as the exercise of parliamentary rights exacerbated the lack of central control in providing sufficient naval forces.

The Admiralty couched their paper in terms of maintaining an Empire navy, but the warning applied as much to the establishment of an Empire defence scheme. In the establishment of the scheme, both Canada and South Africa

20 CPP, 1923-24, Vol.II. 'Imperial Conference, 1923. Summary of Proceedings'. Bruce had with him as naval advisers at the Conference Vice Admiral A. F. Everett, the retiring First Naval Member, and Rear Admiral Wall-Thompson, the First Naval Member designate.

21 ibid., p.633.

22 See p.106.
refused to support the concept of separate Dominion fleets. Although neither nation was likely to be threatened by a naval power and was thus unlikely to draw upon naval forces provided by other parts of the Empire, in the long term the lack of unity in the Empire over a naval defence scheme diminished effective Dominion pressure upon Britain to maintain a navy up to the limits allowed under the Washington Treaties and vice versa. During the remainder of the decade both the British and Australian Governments made 'unforeseen reduction' of their naval forces without prior consultation with each other.

The qualification that it was for each Parliament 'to decide the nature and extent of any action which should be taken by them' created a situation in which the effectiveness of the RN as a backstop to Australian ideas and policies was seriously compromised. At the same time, the qualification lessened the pressure on the Australian Government to analyse the value of the backstop and upgrade Australian naval forces to compensate for British reductions when necessary. The weakness of influence of maritime vested interests in Australia allowed the Government to react to other pressures during the following ten years and reduce defence spending in favour of other areas of public spending. In emphasising the primacy of the Australian Parliament in the provision of forces for Empire defence, the resolution strengthened the concept of Australian independence. However, it weakened the British capacity to bring naval force pressure to bear on the Australian Government to maintain a sufficient naval force. Reduced defence spending weakened Australian influence upon the British Government and limited Australian options in dealing with Imperial and international affairs. In the absence of armed forces to support it, a distinctive Australian stance did not necessarily ensure an increase in Australian influence.

The Imperial Conference and associated meetings laid plans in two areas of naval policy which were to have important effects on the development of the RAN, viz.,
the scheme of officer exchange, and the construction of a base at Singapore.

The scheme for exchange of officers between the RN and the RAN indicated not only the Admiralty's acceptance of the Dominion fleet concept but also the growing Australian content in the RAN. Previously the RAN had required RN officers on loan, to fill vacancies. By 1923 Australian officers trained at the RANC had acquired seagoing experience as Lieutenants and were serving in units afloat as distinct from adding to the complement in training establishments. In order to ensure uniform standards throughout the naval forces of the Empire, the Admiralty proposed, with the ready support of the Australian Government, a scheme where RN and RAN officers of similar rank would exchange duties with each service paying for the officers it received on exchange. Initial problems concerning rates of pay and seniority were overcome as the scheme was put into practice. The Admiralty's interest in the professional standards of the RAN can be gauged by their support for the exchange scheme whilst suffering the effects of post-war reductions themselves.

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23 Loan officers were still required by the RAN to fill the posts for which RAN officers were not qualified. Throughout the inter-war period the number of RN loan officers serving with the RAN declined as RAN officers progressed through their careers.

24 Where there were differences in rates of pay, the RAN made good the difference. The RAN also met travel costs and officers' pay en route. During the inter-war period generally officers' pay was adjusted to suit RAN convenience. Separate active service lists of officers were combined into a common list and a system of credits designed to even out the problem list three. Between officers of the same rank, seniority is determined according to the date of promotion, hence the matter was of some importance. Adm 116/2389.

25 The Admiralty were not being altruistic in their caring for RAN standards, although they were undoubtedly not unaffected by the special ties of the Empire relationship. Fundamentally the Admiralty regarded the RAN as a part of the naval force of the Empire which would be placed under Admiralty control in time of war. It was in the Admiralty's interest to ensure, as much as they were able, that the RAN possessed good equipment and was trained to the highest standard using RN practices.
Because of the defence reductions in Australia there was less opportunity to gain sea time in the RAN than in the RN and a higher proportion of RN officers served their exchange ashore than did their RAN counterparts. The Admiralty qualified their acceptance of RAN exchange officers, so that only as many RAN officers were sent as the RAN could find employment for RN officers. Only those RAN officers who had been trained at RANC and were judged likely for promotion were eligible. The Admiralty also offered to take RAN officers additional to establishment where space was available if Australia would meet the expense. The scheme bound the RAN firmly to the structure of the British promotion system as well as reinforcing British traditions and sympathies within the service. However, as it was envisaged that the RAN would work closely with the RN, the advantages of the exchange scheme were considerable. The scheme offered a broad range of experience for RAN officers and mitigated the effects of the drastic cuts to the number of Australian vessels in commission, so retaining a number of able officers for the RAN.

The construction of a base at Singapore was to be a most important issue in Australian naval policy during the remainder of the inter-war period. It was, however, an issue over which Australia had little influence and no control. It is not proposed to examine the development of the base in detail here but its effect upon Australian policy will be discussed at several points in this thesis. In relation to the decisions of the 1923 Imperial Conference, two points are of particular relevance.

Firstly, the Singapore base was a concept rather than a functioning entity throughout the inter-war period.

26 The Singapore naval base, 1919-1942, as a factor in inter-war Commonwealth strategy is the subject of a doctoral thesis by Mr. T. Hamill, supervised by Professor D. Dilks, for the University of Leeds, and due for submission late in 1974. I am indebted to Mr Hamill for discussing the subject with me on several occasions.
Construction of the base was retarded and interrupted so that the graving dock was not completed until 1938. The defences of the island were still incomplete when the Japanese invaded Malaya in 1941. The RN simulated manoeuvres in the Mediterranean to examine the problems of getting a fleet to Singapore, but no British fleet operated from the base until 1945 although both the China and the East Indies Squadrons exercised in the area. 27 It is difficult to ascertain whether detailed plans were made for the employment of HM forces after a fleet had arrived at Singapore, although the Admiralty sought the Dominions' help with a mobile supply organization in 1926, made plans for minelaying off the Japanese coast, and received much information 28 regarding the Far Eastern area through the China and East Indies Stations. Throughout the inter-war period Australia and Britain tended to discuss policy on the assumption that the base was complete, had proved to be impregnable, and that the RN had sufficient ships to send a fleet to Singapore capable of defeating the Japanese Navy.

27 Roskill, Naval Policy, p. 536-9. In making the above comment, the brief period which HM Ships Prince of Wales and Repulse spent at Singapore in December 1941 has not been overlooked. These two capital ships were sent in lieu of a balanced fleet which the Admiralty hoped to station at Singapore from March 1942.

28 Ibid., p.537. Roskill does note: 'In general one may fairly claim that no aspect of a war with Japan was ignored or neglected in Whitehall; and the operational aspects of such a conflict were concurrently studied in fleet exercises'. However the exercises which Roskill describes are concerned with the problems of passing vessels through narrow straits such as the Malacca Strait, or attacking fleets simulating an investment of Singapore or Hong Kong. Vice Admiral Sir John Collins notes that Admiral Sir Ragnar Colvin was worried in mid-1941 at 'the absence of detailed plans, particularly for cooperation between the British, Dutch and possibly the American forces, although that country was still neutral. Plans existed at the Admiralty to meet ends and details which could only be tied up locally'.
SINGAPORE became a symbol of Empire strength which was optimistically accepted as being what the planners envisaged it would be. Its limitations were never tested. It is indicative of the symbolic properties which the proposed base assumed that discussion of strategy in the Far East tended to emphasise Singapore rather than the fleet which was to operate from the base on the island.

Secondly, the scheme proposed in 1919 to have a British Pacific Fleet similar to the proposed pre-war British Far Eastern Fleet based permanently at Singapore was qualified in its essential aspects. By 1923 the Admiralty were unable to consider basing a fleet permanently in the Far East and were reduced to a plan for a cruiser force at Singapore, when the facilities were completed, supported by a 'fleet in being' based in the Mediterranean or Home Waters. The term 'period before relief' had become a part of service jargon by 1923, with the Admiralty speaking in terms of one month to four months before the base would be reinforced and a supporting fleet working from it. It was not until 1937 that the British Chiefs of Staff admitted that the 70 day period before relief, accepted for most of the inter-war period, made no allowance for political or other considerations which might delay the sailing of the fleet. British policy during the period had been stated in terms of:

establishment of our fleet at Singapore at the earliest possible moment after the outbreak of hostilities.31

Hence, the effectiveness of the Singapore concept as an element in Australian naval policy was dependent not only upon the facilities and defences of the base but also upon the existence of sufficient ships and the British Government's preparedness to send them. The Australian Government's influence on policy regarding the strength of

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29 Adm 167/67, Board of Admiralty, Minutes of Meeting 3 August 1923.
30 Roskill, Naval Policy, p. 295.
31 Cab 53/7, COS, 209th Meeting, 1 June 1937.
the RN was negligible. Any slight influence upon the construction of the base which the Australian Government might have had was largely nullified by Bruce's desire to avoid entanglement in a financial commitment to the base.

Initially Bruce was prepared to make a qualified contribution to the base. Prior to the 1923 Imperial Conference, he had made it known that he was prepared to consider an Australian contribution in kind rather than in capital. Consequently, at a meeting at the Admiralty on 17 November 1923 between Bruce and the First Lord, L. S. Amery, Bruce was presented with a list of £1,600,000 worth of stores and material which might be 'provided' by Australia. Bruce limited the value of the contribution he was prepared to make to £500,000 over four years. As a proportion of the £11 million estimated at the time for the construction of the base, the Australian offer was not extravagant but would have been a useful lever which the Australian Government could have used to gain some influence over policy regarding the base.

The success at the general election and coming to power of MacDonald's Labour Government in January 1924 led to cancellation of work on the base and greatly disturbed the Australian Government. Bruce had the opportunity while in London to assess the decline of the Baldwin Government and must have gained some idea of MacDonald's views. Presumably he realised then that the base might be cancelled. It is evident from his later comments to Parliament that Bruce was disturbed by the attitudes he encountered in the

32 CAC, MP 1049, Series 5, item 1824/3/9. The list consisted mainly of timber, concrete, iron and other heavy construction materials.

33 Roskill, Naval Policy, p. 411. At the Imperial Conference the New Zealand Government offered to make an initial contribution of £100,000. Ibid., p. 407.
incoming British Government. The future of the base at Singapore was relegated by the MacDonald Government to a Cabinet committee set up in February 1924 which was to consider the needs of the Navy in the next ten years as well as the necessity for a naval base in the Far East. MacDonald presented the report to Cabinet on 5 March. It was necessary, he claimed, to consider naval defence in its wider context. If he asked Parliament to proceed with the scheme, 'our action would exercise a most detrimental effect on our foreign policy'.

34 Introducing the Second Reading of the Defence Equipment Bill in June 1924, Bruce commented: 'We have evidence from time to time that the people of Britain do not fully realise the position of Australia, and its value to the Empire. It is quite possible that in Britain, hard pressed as she is with the war burden, a short sighted vision may be taken of the problem of Empire Defence, and expenditure may be concentrated upon the immediate defence of Britain to the detriment of the outlying parts of the Empire. Britain, he said, had two alternatives; to concentrate on air defence of the British Isles, or on Singapore.'

CPD, Vol. 107, p.1703.

35 Cab 23/47, 15th Meeting of Cabinet, 20 February 1924. The members of the committee were Lord Privy Seal, Chancellor of the Exchequer, First Lord and Secretaries of State for Foreign Affairs, War, Colonies, India and Air. The Australian Government was informed that a 'Committee of Cabinet' had been set up but were not given details of its membership. See CAO, MP 1049, Series 5, item 1824/3/9.

36 That policy was to allay suspicion of Britain as a capitalist, war mongering nation. The new Government's policy was to keep present forces efficient but not to create new bases. If the Government did not show confidence in the disarmament policy adopted in Washington, mistrust and competition would again cause an arms race in the Far East. Should conditions make an arms build-up necessary, the Government would reconsider the position but that was not necessary at the present. 'As an earnest of our good faith, therefore, we have decided not to proceed with the naval Base at Singapore'. Cab 23/47, 18th Meeting of Cabinet, 5 March 1924. It was ironic that MacDonald was prepared to allow sufficient expenditure on the site to prevent the area from becoming a breeding ground for mosquitoes. The Dominions were not informed of this at an early stage, though they were informed of the terms of his statement to Parliament, and time was made to reply, if they wished, before it was allowed for them to reply. MacDonald was prepared to allow for them to reply, if they wished, before it was allowed for them to reply.
drawn accusations from Australia and New Zealand that the British Government was sacrificing their essential interests for the sake of Britain's international image. It was not overlooked in the Antipodes that MacDonald had not reduced the British cruiser, Army or Air Force programmes.

The issue was a graphic example to Australia that the British Government was not a homogeneous monolith where the advice of one section could be accepted as the policy of the whole. The rejection of Admiralty advice on a Far Eastern base, given only five months before to the Imperial Conference, forced that lesson onto public consciousness in Australia. The 'Imperial Government' was as much subject to pressure groups as were its counterparts in the Dominions. There is no reason to assume that Australian leaders were unaware of this situation, but it is likely that the care taken previously by the British Cabinet to mask the turmoil beneath the august exterior of the 'Imperial Government' had mitigated against Australian leaders realising the full implications of the process.

Later in the year, Bruce sent Casey to London to keep in touch with trends beneath the surface of British politics.

Bruce seems to have hoped that the cessation of work on the base would be a temporary aberration. He noted in mid-1924 that his Ministers were still convinced of the paramount importance of the Singapore base 'in the interests of the Empire as a whole' and he went on to add that he believed:

...it is only a matter of time for that decision to be reversed. The gesture made by the British Government was in the hope that a base at Singapore would prove to be unnecessary.37

He was interrupted by an interjection before he could say what value he personally placed upon that hope, but from other comments in the speech he obviously did not value it highly. He does not appear to have sought fresh advice from

37 CPD, Vol. 107, p. 1706.
either the Admiralty or the ACNB as a result of the cancellation of the base. Rather, he went ahead with the remnants of the policy decided upon at the Imperial Conference. When the Baldwin Government came to power in November 1924, declared itself in favour of a resumption of work on the base at Singapore and reopened the matter of an Australian contribution, Bruce avoided committing Australian resources. He justified his position by saying that the abandonment of the Singapore base had placed Australia in a serious position and in consequence he had committed himself to plans to expand the RAN. In view of the altered circumstances an Australian contribution would have to be carefully considered. However, the matter was not subsequently considered by Bruce or his successors.

It is a moot point whether Australian abstention from contributing to the base was the wisest course, as £500,000 worth of materials supplied over four years would not have over-burdened the Treasury and it might have provided Australia with a small degree of influence over British policy. Certainly, Bruce in later years did not regard his refusal to contribute to the base as a bar to his discussing it before the CID. It is doubtful whether New Zealand, or Malaya, which did contribute to the base, had any more influence on British policy for the base. Bruce, in refusing to make a financial contribution to the base, was acting in accordance with the Deakin and Fisher policy of providing Australian ships rather than money as a contribution to Empire defence. However, the pursuit of Australian independence in that regard did not lead to a more objective appraisal of the adequacy of the Singapore concept. In later years, Australia accepted the concept too faithfully and with too little analysis. Perhaps, if

38 CAO, WP 1049, Series 5, item 1824/3/9. Bruce to Governor General, 8 December 1924.

39 As High Commissioner he claimed the right to join in the discussion of the Singapore base in the CID by reason of the Australian expenditure on naval defence. Cab 7/5, 258th Meeting CID, 6 April 1937.
Australian resources had been involved, the Australian Government might have been constrained to take a more detailed and critical interest in the adequacy of the base and the provision of a fleet to operate from it. Instead, Australian Governments throughout the inter-war period emphasised the importance of the base to Australia, but avoided becoming enmeshed in the details, which were regarded as a British prerogative.

However, the Australian Government now had a policy for future development. The state of the economy was sufficiently healthy to allow of modest resources being allocated to defence and the international situation appeared to allow of a period in which naval defence in Australia could be steadily developed in an orderly manner. Measures could also be pursued to increase the Australian content of the Navy and of the infrastructure which supported it.
CHAPTER SIX

IMPLEMENTATION OF THE NEW NAVAL POLICY:
BRUCE'S FIVE YEAR DEFENCE PROGRAMME AND THE CRUISER DEBATE

The Bruce Government's five year defence programme, announced in June 1924, set the direction of Australian naval policy for the remainder of the inter-war period. The programme immediately provoked a heated controversy over whether the required cruisers should be built in Australia or Britain, which illustrates not only attitudes toward naval defence and the Empire relationship but also the nature of British influence in Australia.

The Bruce-Page Nationalist-Country Party coalition could not be said to have formulated an original naval policy for Australia, although it did take some initiative in naval aviation. The Government accepted Admiralty advice on the types of ships to be acquired and the tasks which the RAN should be organized to undertake. Because of the lack of widespread appreciation of maritime strategy, political debate tended to concentrate on smaller administrative matters. In consequence, Admiralty advice was not subjected to sufficient public scrutiny for the strategic differences between the British and Australian situations to be appreciated by either the Government or the public. It was in the utilization of defence expenditure within the scope of Admiralty advice that the Bruce-Page Government had its major effect in determining Australian naval policy.
Bruce's five-year defence plan was unveiled after a fashion in the House of Representatives on 27 June 1924 with the moving of the Defence Equipment Bill. The bill provided for the appropriation of £2,500,000 which had been set aside out of the previous year's surplus for the purpose of future defence expenditure. £2,000,000 was to be expended in naval construction and £500,000 as a 'general defence reserve'. Bruce promised that the Government would place before the House a five year programme which dealt with the future of the three services as well as munition supply. He then turned to naval construction, and based his argument for the construction of cruisers upon defence against raids. The subject of protecting Australian trade or helping protect a base at Singapore was not touched upon. Instead Bruce opened the Pandora's box of where the cruisers should be built and left the place of construction of the second cruiser open to discussion. The ensuing debate took up that lead and pursued it with vigour.

Bruce outlined fuller details of his five year programme during the Budget debate on 31 July 1924. The Navy was emphasised as 'being our first line of defence' and received first consideration. However the Air Force was scheduled to increase by four units by the end of the programme, the Army was allowed limited expansion, including increased funds for citizen forces, and an effort was to be made to augment munition supply facilities. Facilities were to be progressively developed until Australia could eventually produce guns and ammunition up to 6 inch calibre.

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1 CPD, Vol.107, p. 1701.

2 ibid., p. 1719. The Council of Defence did not formally consider the programme before it was put to Parliament.

3 In 1924/25 the allocation of defence expenditure between the services was:

- Navy £2,016,402
- Army £1,551,448
- Air Force £216,544
- Supply £1,123,752.

From the vantage point of hindsight the five year defence programme was a business-like approach to implementing Admiralty advice. By the end of the programme two of the six 'light' cruisers had been constructed according to the Admiralty schedule. Two of the six submarines were in the process of being delivered, oil stocks were established at Sydney and Darwin, and the Australian Government had taken the initiative and constructed a seaplane transporter in Australia. The cruisers were built to the maximum limits set by the Washington Treaty and the programme spread the financial burden of the modern equipment over an acceptable period. A second five year naval programme was planned by the ACNB in November 1928 but was overtaken by the defence reductions of 1929.

Bruce’s comments during the debate on the Defence Equipment Bill and his later comments to the British Government when the question of a contribution was renewed, viz., that the cruiser scheme had been forced upon him by the serious position in which Australia found herself as a result of the abandonment of the Singapore base, have led to implications that the cancellation of the base led directly

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4 To replace the light cruisers Sydney and Melbourne which had been of 5,400 tons, armed with 6 inch guns and capable of 25.5 knots, the RAN was to be equipped with two new 'light' cruisers of 10,000 tons armed with 8 inch guns and capable of 33 knots. The reason for the appellation 'light' is to be found in the Admiralty's desire to distinguish them from 'heavy' cruisers which were controlled under the terms of the Treaty. However, one cannot help feeling that the opposition to these ships might have been defused to a small extent had the designation not seemed so incongruous to the public mind. One is reminded of the opposition to the so called DDL in current discussions where the 'light' destroyer has turned out to be the size and tonnage of the previous generation's heavy destroyer.

5 CAO, WP 1049, Series 5, item 1855/2/16. A preliminary plan was tabled at the Council of Defence but not discussed. The second plan provided for an increase of oil reserves, wireless transmission stations at Canberra and Darwin, a new cruiser according to the Admiralty's 1923 schedule, a new depot ship for the submarines, four 'O' class submarines to complete the flotilla and a 7,500 ton oiler.

6 ibid., Governor General to S of S for Colonies, 8 December 1924.
to the re-equipment of the RAN. The corollary to that implication, that had it not been for MacDonald stopping work on the base Bruce would have contributed to the base to the detriment of the RAN, does not take account of the details of the issue and does less than justice to Bruce's view of the necessity for a distinctive Australian stance within the Empire.

Two points should be made. Firstly planning was already under way in Australia before the 1923 Imperial Conference to replace the light cruisers and other vessels. During mid-1923 the Naval Staff debated the relative merits of building in Australia or Britain. That discussion was the outcome of Admiralty advice at the 1921 Conference that the existing cruisers should be replaced with three light cruisers at a cost of £3,750,000. Although the Government was not committed to any formal arrangements prior to the 1923 Imperial Conference, Everett based his argument on the assumption that a decision would be reached in London at the time of the Conference on the details of a building programme. It is also germane to recall the £2,500,000 which had been appropriated by the Government prior to the Conference from consolidated revenue to a separate fund pending the outcome of the Conference. Secondly, the size of the projected Australian contribution to Singapore was but a small fraction of the cost of the naval programme put forward by Admiralty in 1921 and finally accepted by Bruce in 1924.

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8 CAO, MP 1049, Series 5, item 1846/4/12.

9 ibid., First Naval Member to Minister, 8 August 1923.

10 CPD, Vol. 107, p. 1701.

11 The 1921 programme was estimated by Admiralty to cost £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light 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£5,218,500 for three light cruisers, a flotilla of seven £5,218,500 for three light cruisers, a flotilla of seven £
In consideration of the scale of finance involved, it is most likely that Bruce's offer of $500,000 worth of Australian materials for the base at Singapore was but a small part of his overall Australian naval programme. The most which it would seem reasonable to conclude is that the cancellation of work on the base by the MacDonald Government qualified slightly the shape of Bruce's five year defence plan. It may have been that he would not have provided one of the submarines. It seems more likely that the five year naval programme which Bruce had in mind prior to cancellation of work on the base was extremely close to the Admiralty's 1923 advice, so close that Bruce did not feel a need to consult the Council of Defence about it. Hence his programme was not greatly affected by the cessation of work on the proposed Singapore base.

The cancellation of work on the base illustrated the slightness of Australian control over construction of the base at the same time as it removed the need for a contribution. When the Baldwin Government renewed the question of an Australian contribution in late 1924, Bruce was in the position of being able to use the large Australian naval construction programme as an excuse for avoiding an Australian contribution without damaging Australia's standing with the British Government. He was disinclined to make a contribution to a project which was so obviously dependent upon domestic politics in Britain.

The five year programme was a departure in scale, though not in principle, from the Fleet Unit set up by the Governments of Deakin and Fisher prior to World War I. It restricted overheads by continuing the close reliance upon the RN, thus putting the maximum Australian provision into ships rather than into infrastructure. The programme provided the basis of as balanced a fleet as was politically realistic, given the extent of Australian finance and the low threat assessment of the time. Most importantly, it provided the foundation upon which a larger and more diverse fleet
could be developed in the future. The programme provided equipment suitable for surface defence against raiders or cruisers in Australian waters or on the trade routes, and it provided the potential for offensive action to harass attacks against Singapore. It did not provide anti-submarine, minesweeping vessels or anti-aircraft weaponry, as these were still being developed by the Admiralty.

The most glaring deficiency in RAN capacity revealed in later years was lack of air support. However, the five year programme did provide an Australian initiative in this

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12 Hyslop comments: 'The five year development programme 1924 to 1929 was not well balanced'. *Australian Naval Administration*, p.170. This comment overlooks the financial constraints, the fact that the programme was intended to be the start of a continued series of development programmes, and the fact that the Admiralty had advised against building smaller classes of ships at the time as new designs and tactics were being developed and had not then been sufficiently tested by the Admiralty. Hyslop's comment that 'Bruce had gone to England with the broad idea that something would have to be done about the Australian Navy to make up for the slowing down of work on the Singapore Naval Base' (ibid.,) overlooks the nature of the 1923 Imperial Naval Conference as the culmination of the post war naval re appraisal. Hyslop's comment also overlooks the fact that work was not slowed down on the base until the advent of the MacDonald Government in January 1924 after the Imperial Conference. McCarthy, 'Air Power', p.80, makes a similar point, claiming that the development of the RAN in the 1920s was an expensive bungle'. McCarthy, like Hyslop, gives insufficient weight to the available Australian resources and overlooks the continuing nature of Bruce's scheme.

regard with the building of the seaplane transporter to operate with the Australian fleet. 14 This proposal was a product of the RAN's keen interest in air power during the 1920s which had been stimulated by Dumaresq's experiments in HMAS Sydney during World War I. Unfortunately lack of finance, bitter inter-service rivalry in both Australia and Britain and lethargy toward air power on the part of the RN during the 1930s soon negated this Australian initiative. The RAN was too much affected by the close relationship between the RN and the RAN to overcome lack of finance in Australia in the 1930s and continue development of this aspect of naval capacity. The relationship between the RAN and the RAAF and the effect of the British situation upon that relationship will be dealt with in the following chapter. The point is that the five year programme not only was reasonably well balanced but also took an initiative which, if followed up by successive plans, would have overcome some of the problems which the RAN was to face in 1941-42. 15 The Bruce-Page term of office was a period of progressive development for Australian naval policy.

14 Admiralty advice had been to take up a merchant ship and fit it as a seaplane transporter at the outbreak of hostilities. The Australian Government advanced this programme for reasons which will be dealt with subsequently. The term 'seaplane transporter' has been used in this thesis instead of the term 'seaplane carrier', which is used in the official documents, to differentiate between the Australian vessel and the special aircraft carrier type of vessel with a flight deck from which aircraft could operate, which was being developed in the RN and United States and Japanese Navies. The Australian vessel, HMAS Albatross, was a simple 6,000 ton hull with engines, navigational equipment and accommodation for crew and seaplanes. It had no flight deck. The seaplanes were hoisted by cranes from below decks into the water whence they operated. After landing on the Albatross was a recommendation of the Australian Naval Staff and was designed by Admiralty planners. The Admiralty charged but was designed by Admiralty planners. The Admiralty charged

15 CAO, WP 1049, Series 5, item 1055/2/16.
However, despite the merits of the programme, the subsequent debate concentrated on parochial issues. On 27 June 1924, when announcing his Defence Equipment Bill, Bruce indicated that his Government was investigating the cost of building a vessel in Australia and the time it would take to build. The cost of building one cruiser in Britain was known to be then around £2,000,000. The only information he gave on the second cruiser was that if built in Australia it could not be constructed for under £3,000,000. However, he did indicate that the Government was 'very anxious' for the vessel to be built in Australia to aid industry and to expand Australia's capacity to build naval vessels. Bruce refused from the outset to consider building both vessels in Australia, so achieving economy from building in the same yard, on the grounds of 'the big delay that would be involved'. His Government, he said, could not possibly agree to that. An order for one cruiser would be placed immediately in Great Britain and delivery was expected within two years.

Bruce's comments reveal cost and construction time as the two most important considerations. The cost was to be the subject of an independent inquiry, a mountain of departmental paperwork and much debate within Parliament and in the press. The construction time was not a negotiable question as far as the first cruiser was concerned, and was an important factor in the decision on the second cruiser. Bruce's haste attracted curiosity at the time but has still not been explained. The lack of obvious explanation provided suspicion that he had entered into serious agreement for the building of the cruisers while he was in Britain at the end of 1923. One is tempted to wonder why time should have been such an important element. The Washington Conference was not the unqualified success Pearce and Hughes had foretold, but there was no imminent threat and the Conference did seem, from

16 CFD, Vol. 107, p. 1709.
17 ibid., p. 1710.
the vantage point of mid-1924, to have brought some order to international relations in the Pacific. The Admiralty in CID Paper 195-C had suggested that two cruisers be laid down in 1924 but had refrained from suggesting where they should be built or how soon they should be completed. Even if a cruiser built in Australia had taken a year longer than one constructed in Britain, the extra time would have had little strategic significance.

Certainly there was strong pressure from Britain to buy British. In October 1923 the British Cabinet Committee on Unemployment was discussing with the President of the Imperial Economic Conference, the Secretary of State for India and the Secretary of State for Colonies the creation of fresh markets and the expediting of orders in this country by the Dominions, India and the Crown Colonies, even where it involved cooperation in financial assistance by the British Government to Imperial Development. Whether or not specific pressure was brought to bear upon Bruce from British authorities or commercial interests to have the Australian cruisers built in Britain will probably not be known until the whole of Bruce's private papers are opened to public access, if then. Bruce did admit in Parliament that he had been made aware of the problems in British industry while he was in Britain. Edwards offers

18 Adm 116/2247.

19 The British Cabinet concluded that 'the Prime Minister should be authorised, in his forthcoming speech to the National Unionist Association at Plymouth, to announce that orders would be placed for a certain number of warships (Light Cruisers, etc.) and other material...so as to give (Light Cruisers, etc.) and other material...so as to give

no comment upon the matter in his biography. However, in view of the exhaustive pursuit of alternatives during 1924 for the construction of the second cruiser and requests for further details, including urgent telegrams by the Prime Minister's Department, from the tenderers who wished to build in Australia, it does seem highly unlikely that any firm arrangement for at least the second of the cruisers had been entered into by Bruce before leaving Britain late in 1923.

There was, however, a considerable pressure on Bruce to buy British by reason of his part in Dominion pressure on Britain for preferential treatment in trade. The economic and military events of World War I combined to accentuate Dominion demands for a privileged position in the British market place, but these demands were in direct opposition to the tradition of free trade and encountered determined opposition within Britain.

There were some gains by the Dominions. The Imperial War Cabinet paid lip service in 1917 to the concept of making the Empire self-sufficient in food stuffs, the 1919 Budget in Britain provided for some special rates of duty on Dominion goods and there were promises of further preferences by the Conservatives before their fall in 1923. No further gains were made until the Ottawa Conference of 1932, but that was not relevant to Bruce in 1924. To refuse to 'buy British' in terms of cruisers advised by the Admiralty, offered at low cost and to be built by existing British dockyards which desperately needed work, would very likely jeopardise any

21 C. Edwards, Bruce of Melbourne, 1957.

22 CAO: CBS A1608, A15/1/6. 'Construction of Cruisers', the Naval Intelligence Division at Admiralty noted in 1926 that Bruce was suspected by the ALP of having let the contracts while in Britain in 1923. Adm 1/8702/149.

23 J. D. B. Miller, Britain and the Old Dominions, p.115.

chance Australia had in 1924 of overcoming the opposition of the free-traders in the City of London.

There was also local pressure upon the Australian Government to use the dockyard which had already built the 5,400 ton, 6 inch gun cruisers Brisbane and Adelaide, viz., Cockatoo Island. The Commonwealth Shipping Board, which controlled the Cockatoo Island Dockyard, much to the chagrin of the ACNB, was extremely keen to build the cruisers. Bruce was also under considerable pressure to build in Australia from his own party members in both Sydney and Newcastle where unemployment was still high.\(^{25}\) Having announced in Parliament that the place of construction of the second cruiser was an open question, Bruce found himself placed in the role of adjudicator in an inter-departmental struggle between the ACNB and the Commonwealth Shipping Board.

The ACNB under Grant's successors, Rear Admiral Sir Allan Everett and Rear Admiral P. H. Hall Thompson,\(^{26}\) was staunchly in favour of building in Britain although they claimed otherwise. The Board's case in June 1924 was based upon price, estimated at £1,900,000 built in Britain, and an assured construction time of three and a half years. The price quoted was ex-yard and did not include the cost of transporting the crew from Australia to Britain to commission.

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\(^{25}\) CAO, CRS A458, item L/376/4. For an account of naval shipbuilding in Australia, see Hyslop, Naval Administration, Chapter 5.

\(^{26}\) Everett, Sir Allan Frederic. Born 1868. Superintendent of Signal Schools, 1901-4 and 1906-8; on staff of C in C of Home Fleets and Grand Fleet, 1913-15; Naval Assistant to First Sea Lord, 1915-16; Rear Admiral, 1917; Naval Secretary to First Lord of Admiralty, 1916-18; in command of 4th Light Cruiser Squadron, Grand Fleet, 1918-19; in command of 8th Light Cruiser Squadron, North America and West Indies, 1919-21; C in C China Station, 1921-23; First Naval Member, ACNB, 1924-25; retired list, 1925; promoted Admiral, 1926.

Hall Thompson, Percy Henry, Born 1874. Captain, 1913; Served European war; Naval Adviser to New Zealand Government, 1919-22; Rear Admiral, 1923; First Naval Member, ACNB, 1923-26; Vice Admiral Commanding Third Battle Squadron, 1923-25; Vice Admiral Commanding Reserve Atlantic Fleet, 1927-28; Vice Admiral Commanding Reserve Fleet, 1929-30; retired list, 1932. Created C.M.G., 1917; C.B. 1924.
the ship, the cost of sailing the ship back to Australia or the cost of outfitting the vessel and providing spare stores. The ACNB under Everett had reversed the previous policy of Clarkson, Creswell and Hughes to build as much as possible in Australia, and was pressing the Government hard to buy British as early as August 1923.27 However, as the argument approached its climax in August and September 1924 the ACNB added the rather vague argument of quality, emphasising the necessity of building by 'experts' despite evidence from elsewhere that British comment on the quality of work in Brisbane was highly favourable. The ACNB also made the point that because of the secret nature of the plans only Admiralty appointed suppliers could be used.28 The ACNB at first obstructed the Commonwealth Shipping Board by refusing to supply plans and forcing the Shipping Board to quote on the basis of the British quote plus an increment to allow for dearer Australian labour. Later, Australian tenderers were allowed to see the plans but were forced to use them at the Navy Office where facilities for outsiders

27 CAO, MP 1049, Series 5, item 1846/4/12. Everett's chief argument at that stage had been that a large cruiser could not be built by an Australian yard. Everett to Minister, 8 August 1923. The Commonwealth Shipping Board had replied reminding the Minister of previous work done and detailing the advice from Clarkson, now in England having retired as the job could be done. Farquhar to Third Naval Member, 4 September 1923 and Farquhar to Sec. Defence Minister, 20 October 1923. CAO, MP 1049, Series 1, item 20/0416 contains files on building warships in Australia as well as ships for the Commonwealth Line. Designs for various classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia and the latest classes of ships were prepared in Australia. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiralty designs were also received. Hughes was keen on Admiral.

28 CAO, GHS A1608, A15/1/6, Sec. Naval Board to Sec. Prime Minister's Department, 18 September 1924.
to work were decidedly limited. The ACNB also had the benefit of scrutinising the estimates of the Shipping Board and in their accompanying comments inflated both the price and construction time of the Shipping Board from £2,898,000 and two and a half years to £3,400,000 and three and a quarter years. The ACNB claimed their estimate of building costs and times in Australia could not be reduced and was based upon previous experience of building ships in Australia.

The Commonwealth Shipping Board's estimate included the proviso that it was impossible to estimate an accurate cost until the Shipping Board was able to use British plans. Material and machinery imported from Britain was estimated to comprise 34 per cent of the total cost. Labour costs were estimated to consume 55 per cent of the total cost. After emphasising the value of providing continuing work for the Australian dockyards, the Shipping Board pointed out:

Cockatoo Island Dockyard is in the same position as the shipbuilding establishments in Great Britain. The majority of shipbuilding firms there procure from specialised firms and sub-contractors (who are on the Admiralty list), their armament, electrical fittings, auxiliary machinery, armour, plates and sectional material, the only essential difference in this respect being that instead of requiring to transport such items only a few miles, Cockatoo Dockyard requires to bring this special equipment and material from overseas.

The Shipping Board might also have pointed out to their advantage that the saving involved in not sailing a British ship out to Australia would partly offset the cost of shipping materials.

29 ibid., Sec. Naval Board to Sec. Australian Commonwealth Shipping Board, 3 July 1924. Sec. Australian Commonwealth Shipping Board to Sec. Defence Department, 9 July 1924. Sec. Naval Board to Sec. Prime Minister's Department, (undated) October 1924.

30 ibid., Sec. Naval Board to Sec. Prime Minister's Department, 14 July 1924.

31 ibid., Sec. Australian Commonwealth Shipping Board to Sec. Defence Department, 9 July 1924.
Bruce also explored the alternative of having a British firm build under an agreement with an Australian dockyard. Armstrong Whitworth and Vickers were two of the firms interested in such an arrangement and both would have leased Cockatoo Island Dockyard for the job. Tenders were returnable by 31 January 1925.\textsuperscript{32}

At the end of July 1924 the Admiralty revised their previous estimate of cost and increased it to £2,100,000 on the basis of changes in design. At the same time Bruce, answering a question in the House, ruled out building both cruisers in Australia as only Cockatoo Island Dockyard was big enough to do the job. To build two ships concurrently would have involved a new yard being built at Walsh Island Dockyard, Newcastle, and extra men being employed who would have had to be laid off afterwards. Bruce did not give any reason why the two ships could not be built in sequence which would still have reduced the cost of the second.\textsuperscript{33}

The disparity of advice from the only two authorities in Australia with any experience of ship construction decided Bruce to set up an enquiry chaired by Lt. Gen. Sir John Monash to try to reconcile the differences and arrive at a consensus. Monash in his report had criticisms to make of both sides. However, he emphasised the difficulty of accurate estimation of cost and praised the detail provided by the Shipping Board. He concluded that the ship would be approximately £1,000,000 cheaper if built in Britain, which amount would have been

\textsuperscript{32} Ibid.

\textsuperscript{33} Bruce later attempted to allay ALP suspicion that he had already concluded an agreement with a British firm by stating, in reply to persistent questioning:

No cruiser has been purchased, no arrangements have been made authorizing the construction of a cruiser, and no action whatever has been taken in any direction with regard to the building of a cruiser in Great Britain.

permanently withdrawn from the whole population of the Commonwealth, for the immediate, but very temporary, benefit of a negligible percentage of its population.\(^{34}\)

While the latter comment was not part of Monash's function, it does illustrate the free enterprise view of the time, which could see little good in government support to develop an industry which was necessary to form the basis of an Australian maritime tradition. It is noticeable that the flood of protests against building the ships in Britain came largely from labour-oriented groups.\(^{35}\) Commercial and financial interests, as reflected in Parliamentary debate, saw the subsidy necessary to build cruisers in Australia as a subsidy to Australian labourers rather than developing an industry which would have considerable spin-off to other industries.

The debate in Federal Parliament on the place of construction was protracted and bitter, with the arguments being, in general, restricted to the narrow subject of building cruisers rather than covering the wider question of the overall growth of Australian industry within the Empire framework which Bruce supported. However, Messrs. Mahony and Riley, who spearheaded the Opposition attack, presented an extremely well researched case and made many points which were not subsequently disposed of. Although the Labor Party took up the cudgels in favour of building the cruisers in Australia in the Defence Equipment debate in June 1924, it was not until Bruce had tabled Monash's report on 10 September and the Estimates were presented on 11 September 1924, containing a provision for £1,000,000 in development funds for the first cruiser, that the Opposition concentrated their full attention upon the question.


\(^{35}\) CAO, MP 124, Series G, item 303/248/51.
Mr W. G. Mahony, the ALP Member for Dalley, opened the attack by moving an amendment to decrease the Estimates by one pound as an indication to the Government that it should build both cruisers in Australia. 36 Mahony had obviously been privy to much inside information, had been well briefed and was thoroughly prepared. Basing his case on the declared policy of the Government of encouraging Australian industry, Mahony claimed that the Government should be consistent in terms of a national shipping industry. He then turned to details, first by examining the Monash report. Noting Monash's qualification that the exact specifications were not known, he claimed that at the time when the Shipping Board were making their estimate, the exact specifications were known 'to certain experts of the Navy Office'. 37 Mahony went into a great deal of detail to show that Monash had been wrong not to accept the Shipping Board's estimates which had included:

every detail of the cruiser, and gave a price for every part, and a reason for fixing the price. On the other hand the Naval Board failed completely to justify its estimates.

Of Monash's statement that the extra £1,000,000 the cruiser would cost if built in Australia would be 'permanently withdrawn from the whole population', Mahony commented that the money would be widely spread because of the diverse nature of the shipbuilding industry and would be of permanent value to Australia by helping to build an industry. 38 Mahony emphasised that Australian tenderers were at a triple disadvantage. They were not to have the chance of reducing

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36 CFD, Vol. 109, P. 4307. Mahony, W.G., elected MHR May 1915. The electorate of Dalley centred on the suburb of Marrickville which was a Sydney working class area but with no direct connection to the Cockatoo Island Dockyard.

37 ibid., p. 4308.

38 ibid., p. 4309. Considering Monash's concluding statement that the £1,000,000 difference between British and Australian construction 'could otherwise be usefully employed for defence purposes', Mahony was suspicious that Monash wished to skimp to provide more funds for the Australian yards to be skimped to provide more funds for the Army. p. 4308.
costs by building a second cruiser. Their figures were
made public before British firms had started their
calculations, and they would have to buy specialised
items from British firms who could inflate prices to keep
orders for British yards. The Shipping Board, he claimed,
had been quoted £810,000 for armaments, which was well
above the British price. Mahony drove home his suspicions
of a British armaments cartel by noting:

when the Prime Minister rose to make his
statement of Government policy on the matter,
the agent of one of the biggest armament firms
in Great Britain was seated in the gallery.

Turning to the state of the Australian shipbuilding
industry, Mahony emphasised the diversity of trades involved
and the widespread benefit an order would be to Australia.
On the question of price he was caustic. However, he did
not question Bruce's reasons for the haste in starting
construction. He noted a recent meeting in Sydney Town
Hall, convened by the Lord Mayor of Sydney in favour of
building in Australia, and reminded the Government of the
skilled shipwrights in Australia, many of whom had been sent
to Britain to train at Government expense prior to and during
World War I. Mahony commented that the ACNB had an expert
ship constructor, Mr Leask, brought out from Britain to
prepare plans and estimates for building the cruisers in
Australia. Leask, he claimed, had submitted an estimate of
£3,000,000 for one ship to Engineer Captain Sydenham who had
'sat on' it because it was too low. Mahony readily admitted

39 The only viable Australian tenderer was the Commonwealth
Shipping Board, whose estimates had been scrutinised by the
Naval Board. In this case, Mahony was embellishing the
number of Australian yards that would benefit from
constructing the cruisers in Australia.

40 ibid., p. 4310. 'I admit quite frankly that we cannot
build a cruiser in Australia as cheaply as it can be built in
Great Britain. I do not suggest that the cruisers could be
constructed in Australia at the price at which they could be
built in Japan, or Germany, or even at Hong Kong. If the
Government want cheapness, they should call for tenders from
ship constructors in Germany or Japan.'
the seriousness of the charge but was prepared to defend it. Monash had not seen Leask's estimate and Mahony wanted the Government to produce it. The ACNR, he charged, had inflated Leask's estimate to build one cruiser in Australia by £700,000. To substantiate his case, Mahony quoted the file numbers of his material. He charged that alterations to other Australian ships were being made in Britain which could have been carried out in Australia and he wanted the Government to provide tariff protection to ship building as it did to other industries.

While there does not appear to be any other external evidence to substantiate Mahony's claims, the internal evidence of the speech suggests that his claims were probably substantially correct. The fact that he was able to quote file numbers suggests that not only was his information trustworthy but also that it was conveyed to him by an officer of the Defence Department or the Prime Minister's Department (which controlled the Commonwealth Shipping Board).

The amendment to reduce the vote by one pound was seconded by Mr. C. Riley, the ALP member for Cook. He related case histories of ships built in Australia and Britain to show that delays could occur with British yards as much as with Australian yards. He then went into considerable detail over the delays and cost increases in the building of HMAS Ships Adelaide and Brisbane which, he claimed, had come about by changes in design during the course of construction and the charging of 'foreign jobs' against the ships' accounts.

Riley's arguments were for the most part valid and reduced the force of the arguments of Government supporters who claimed that the job could not be done in

41 ibid., p. 4311. Leask had been recruited from a private shipbuilding firm in Britain by Clarkson while he was Third Naval Member. ibid., p. 4315.
42 ibid., p. 4312. HMAS Silvio was lent to the RAN by the Admiralty for survey work and re-named HMAS Moreby. She was refitted in Britain before leaving for Australia.
43 ibid., p. 4318. Riley had worked in the accounting section of the Cockatoo Island Dockyard. His electorate centred on the suburb of Caringbah which was a Sydney working class area with no direct connection to the Cockatoo Island Dockyard.
Australia or could be done better in Britain. Riley testified to shoddy workmanship by British yards on HMAS Australia and the high quality of work on Adelaide and Brisbane done by the Cockatoo Island Dockyard. He quoted British comment to support his point.

Hughes supported Mahony in a passionate speech in which he berated the ACNB for regarding Australian workmen as incompetent and charged that the ACNB 'never seriously contemplated that Australia was capable of building those ships'. He derided the Government's case for having the cruisers built in Britain and felt, predictably, that it was folly not to develop Australian yards.

The speeches by Mahony and Riley illustrate the power struggle between the ACNB and the Commonwealth Shipping Board. The two speeches effectively demolished arguments against the capacity of Cockatoo Island Dockyard to do the job, though they did not wholly overcome Monash's point that the Shipping Board was being somewhat optimistic in its time schedule. In the successive debates on the subject, however, no claim that the ships could not have been well built in Australia was seriously entertained.

Bruce remained above the flux of interest between the ACNB, the Shipping Board and the British firms interested in constructing the ships both in British yards and under licence arrangements in Australia. In February 1925 it was announced that both cruisers would be built in British yards and that a seaplane transporter would be constructed at Cockatoo Island Dockyard. Bruce's decision was a happy compromise so far as he was concerned. The cruisers would be built under contract in Britain which would minimise cost and avoid the trouble the Government would have with Australian labourers in getting them completed in a dockyard.

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44 ibid., p. 4318.

45 The announcement that both cruisers were to be built in Britain led to a vote of censure when the Parliament reassembled in June 1925. CPD, Vol. 110, p. 143 ff.
under its control. Bruce had thereby obtained further leverage for his overall scheme of Empire preference in trade while providing the basis for a powerful addition to the RAN. The seaplane transporter would give work to Cockatoo Island Dockyard and the ship would be built for approximately the amount saved by building the second cruiser in Britain. Australian naval aviation would be able to explore those techniques which were directly applicable to Australian conditions and thereby remain abreast of the most recent developments overseas. Labor members were not placated but had lost the initiative. Reference to building in Australia continued to be made until the early 1930s but had little political weight.

When the Naval Construction Bill was moved in the House on 18 September 1925 calling for £1,500,000 for payments on the cruisers, two submarines which had been ordered in Britain and preparations to commence construction of the seaplane transporter, the Leader of the Opposition, Mr Charlton, made a brief protest about building the cruisers in Britain but dropped the matter quickly to hasten the close of the session in order to start the election campaign. At no time did the debate move away from considering the acquisition of ships in terms of their price ex-yard toward considering their overall initial cost plus the likely costs over the life of the ship. It is noteworthy that current public debate in Australia regarding the acquisition of naval vessels has not progressed any further.

Thus the post-war naval reappraisal had finally produced a policy and a start was made upon the wherewithal to implement it. The RAN settled into a period of ordered growth. The debate over the cruisers illustrates the way in

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46 Files of the Prime Minister's Department during Hughes' term of office indicate the extra work-load thrown onto the Department by the responsibility of controlling the shipbuilding work which Hughes had fostered. See CAO, A2, 18/2302 to 20/2158.

which the diminutive size of the RAN and ignorance of
naval matters in Parliament gave opportunity for the debate
to concentrate on the minutiae rather than on policy. It
also illustrates the imprecise nature of defence budgeting
and the overbearing prestige of British advice. More
importantly, the extreme positions adopted by the two
schools of thought in Australia regarding Empire defence
made a compromise between excessive loyalty and excessive
independence improbable in the short-term.
By the late 1920s the major foreign policy problems which were to dominate Imperial councils in the next decade were beginning to emerge. During those years the British policy of diplomacy by conference achieved its greatest apparent success. Australia's role in international affairs was becoming defined, especially in relation to the sequence of Naval Conferences. At home, the RAN settled into a period of ordered growth and began to develop the comprehensive range of activities to be expected of an autonomous naval service.

The fundamental problem confronting British foreign policy in the inter-war period was the conflict in allocation of British priorities between Europe and the Empire. The problem was not unique to the inter-war period but, with the increasing importance of Japan and her designs on China and the South West Pacific during the period, it became one of considerable significance for Australia in the 1930s. However, this conflict was not always apparent in Australia although the cancellation of the Singapore base in MacDonald's search for European disarmament had early revealed the dichotomy of British interests.

It was a period of cautious optimism in foreign policy. Diplomacy by conference seemed to be working as a method of
conducting foreign policy. German restiveness over the restrictions imposed at Versailles was eased by the Locarno Treaty of October 1925 and Germany's inclusion as a full member of the League of Nations in September 1926. Britain's position in China, which had deteriorated with the increased strength of the Chinese Nationalists in 1927, improved with the split between the Communists and the Kuo Min-tang. The British policy of appeasement in China seemed to have succeeded.\(^1\) Although the problem of Egyptian restiveness was not resolved and the 1927 Geneva Conference on the Limitation of Naval Armaments failed, a sense of optimism prevailed. In July 1928 Churchill was able to obtain CID agreement to a continuous ten year rule. The following November the CID agreed that the ten year rule should not continue but that the responsibility for halting the operation of the rule rest with the Ministries.\(^2\)

When the Imperial Conference met in London from 9 October to 23 November 1926 there was no apparent threat to the Empire.

\(^1\) W. M. Louis, British Strategy in the Far East, 1919-1939, Chapter IV. HMAS Brisbane was serving on exchange with the China Squadron when a strike and several disturbances at Hong Kong in June 1925 forced the use of naval personnel to protect British citizens and maintain essential services, especially the ferries. Brisbane's involvement was the subject of questions in the House of Representatives on 24 June 1925 and press comment the following day. Brisbane remained with the China Squadron until her scheduled period of exchange was completed in mid-July. The Australian Government recognised that Brisbane had been placed under C in C China and would remain so throughout the duration of the tour of exchange duty. However, they restricted use to protecting the lives and property of British subjects and then only if absolutely necessary. Governor General to Secretary of State for Colonies, 27 June 1925. CAO, MP1049, Series 5, item 2026/3/44. Australian policy in regard to use of Australian cruisers on exchange in British colonial disturbances was formalized the following December. The idea subsequently gained currency at the Admiralty that Brisbane had been withdrawn from the China Station because of pressure in Parliament and the Australian press. The Admiralty at the time gained the impression that the Australian Government was unwilling to allow Brisbane's crew to be used as strike breakers and as a result she was released early. Captain T. E. Nave to the author, 12 April 1974.

\(^2\) Cab 2/5 236th Meeting of CID, 5 July 1928 and 238th Meeting of CID, 8 November 1928.
The primary concern of the Dominion delegates was to clarify the details of Dominion independence. The appointment of Balfour as the Chairman of the Inter-Imperial Relations Committee ensured that compromise rather than confrontation would be the predominant attitude and the result was the definition of Dominion status:

They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations. 3

The Conference had little direct impact on Australian naval policy. The Singapore base was discussed at meetings of naval advisers. Arrangements were made for Dominion officers to attend the Imperial Defence College. The defence policies laid down at the 1923 Imperial Conference were reaffirmed and it was noted that the Indian Government had decided to establish a Royal Indian Navy. The Summary of Proceedings, published in Commonwealth Parliamentary Papers, and therefore available to the public, emphasised the positive side of Empire defence in such terms as 'observes the steady progress' and 'takes note with satisfaction of the substantial progress'. 4

The failure of the Geneva Conference 5 on the Limitation of Naval Armament the following year also had little effect.

3 CPP, 1926-27-28, Vol. V, p. 1058. 'Imperial Conference, 1926. Summary of Proceedings'. Australian records of the 1926 Imperial Conference are held in CAG, A981, Imperial Conference 1926, items 114 to 123. These records include minutes of proceedings.

4 CPP, 1926-27-28, Vol. V, pp. 1070-71. Hankey's conclusion, 'The attitude of the Dominions used to be very critical, and I always dread these conferences. This year I have the impression that they sympathise very much in our difficulties ...' (Roskill, Hankey, Vol. II, p. 426), is a candid illustration of the effect of Dominion criticism upon British officials and helps to explain the British desire to avoid controversy with the Dominions.

5 For details see Roskill, Naval Policy, Chapter XIV.
on Australian naval policy in the short term except to confirm the precedent set at Washington for the status of the Dominions within the British Empire Delegation. The Australian delegate, Sir Joseph Cook, received the Admiralty's appreciation only shortly before delegates of the British Empire Delegation met in London on 16 June 1927 to coordinate Empire policy before going to Geneva together. The ACNS received details of the Conference on 2 June with the request that the Commonwealth concur in the proposals. However, the ACNS submitted its own comments to the Admiralty. The Admiralty politely declined the suggestions, giving sound reasons for doing so. The reaction from ACNS was that:

no harm has been done by raising the question, and no doubt the effect will be good, as it will be realised at home that Australia is now 'on the map' in these matters. It may be hoped that on another occasion we may be given more time for examining proposals...

It is doubtful in the extreme that Australian advice had any effect, as the matter of limitation of naval armaments was an important issue for the Baldwin Government. The lack of time given to the Australian Government to consider the Admiralty appreciation and the request that the Commonwealth concur in the proposals are good indications that the British position had already been decided in detail.

The failure of the Geneva Conference marked the nadir of relations between the RN and the USN, although it did not obliterate the deeper sense of relationship.

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6 S of S for Dominion Affairs to Governor General. 2 June 1927. CAO, MP1049, Series 5, item 1846/4/139.

7 First Naval Member commented: As...the defence of Australia is bound up with that of the British Empire, and the financial condition of Great Britain has very obvious reactions in the Commonwealth it appears to be desirable that the Commonwealth Government should not remain a mere cipher, but should bring forward for discussion on 16 June proposals of her own. CAO, MP 1049, Series 5, item 1846/4/139.

8 ibid. Comments by ACNS, 24 June 1927 on Admiralty reply S of S for Dominion Affairs to Governor General, 17 June 1927. ACNS at the time was Commander Baillie Grohman, RN.
between the two services. Lloyd George's pre-war comment (quoted previously) regarding the United States not being taken into account as a possible enemy by British planners prior to the war indicates a sense of association which burgeoned into cooperation during World War I. In 1917-18 the USN played a subordinate role and had a great deal to learn from the RN. This relationship reflected the more general association between the two nations. In Britain an awareness of a special relationship between the Anglo-Saxon allies resulted in one school of thought which urged:

that the key to peace lay in the creation of a global hegemony enjoyed by the United States and the British Empire, expressed in maritime and financial terms.10

M. G. Fry distinguishes three groups within British and Dominion élites in relation to this Atlanticist policy:

the Atlanticists with varying and usually diminished degrees of dedication; the sceptics, whose disillusionment bred cynicism; and those who became frankly hostile.11

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11 ibid. Fry includes within the category of 'Atlanticists' Edward Grey, Lord Walden, H.A.L. Fisher, C.P. Bonnes and his followers in Lloyd George's coalition, Robert Cecil, Jan Smuts, Robert Borden, Arthur Meighen and, most importantly for the Washington Conference, Arthur Balfour, to whom: 'Anglo-American cooperation was not a mere temporary or tactical expedient, but a fundamental policy contributing to an ultimate goal. It followed that war between Britain and the United States would be civil war'. ibid., p.16.

To the list of Atlanticists might be added the Australians Hughes and Pearce whom Fry does not mention. The omission of reference to Australian 'Atlanticists' seems to imply that Australians, as a Pacific nation, had no place in the Atlanticist school. It overlooks the fact that Atlanticism was seen in Australia as being an important factor in strengthening the Empire and thus making the Empire's defence resources more available for the defence of the Anglo-Saxon outposts on the fringe of Asia.
The fact that the ideal of a special Anglo-American relationship was not realised because of post-war reservations in the United States over the Peace Treaty and the League, and because of the American desire to assert maritime equality with Britain, does not mean that the ideal no longer existed. The British dilemma regarding renewal of the Anglo-Japanese Alliance is a clear indication of its strength. The special relationship was also evident at the 1923 Imperial Conference. Amery, pressed by Smuts as to the British ability to send a fleet to Singapore in the event of a two theatre war, hoped that the United States would be induced to become an ally before the situation in the Far East was 'irretrievably altered'.

Unfortunately, rivalry between the British Admiralty and the U.S. General Board frustrated a desire in both services for mutual cooperation. Plans for such cooperation did not become worth considering until the mid-1930s. Even then it was not until 1941 that American domestic political circumstances were such as to allow overt cooperation between the two services. However, this slow rate of progress should not be allowed to obscure the fact that in the interim some

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12 Cab 32/9, Imperial Conference, 1923. 9th Meeting, p.12. In fairness to Amery it should be noted that in 1923 a two theatre war was of about the same order of probability as an Anglo-American alliance in the Far East.

13 Roskill, Naval Policy, Chapter XIV.
Admiralty planners cherished an intermittent private hope of cooperation.14

Relations between the RAN and the USN during the 1920s were amicable, but the two navies did not see much of one another. An American Battle Fleet visited Australia in July 1925, a year after the British Special Service Squadron was in Australian waters. The American visit consisted of 56 ships and 23,000 men but was of a social nature and no inter-service exercises were conducted.15 Individual American warships visited Australia on goodwill missions during the remainder of the inter-war period but no fleet visited Australia again until 1941. It was not until early 1942 that RAN and USN ships trained together.

In Australia in the late 1920s the RAN had the first real opportunity since its founding to develop the service.

14 By 1926 the question of foreign officers attending RN courses had become serious enough to be discussed by the Board of Admiralty. The Admiralty had received requests from the USN as well as other services for officers to attend various courses, especially courses in naval architecture and construction. The chief obstacle to permitting foreign students was the embarrassed that any pretext would be seized by the Japanese Navy who would demand to attend. It is worth noting, in passing, the increasingly fragile relations between Britain and Japan illustrated by this question. (See also Chatfield, The Navy and Defence, p.32, and M. D. Kennedy, The Estrangement of Great Britain and Japan, 1917-1935, for details.) The Admiralty's decision to refuse to accept any foreign officers on RN courses was queried in 1933 by the newly returned Naval Attache in Washington, who argued that continued improvements in relations between the two services would be prejudiced by refusing a recent USN request for an exchange of information. There was no certainty whether a positive response to the United States' request would be followed by an attempt to form a liaison directed against Japan.

However the USN 'were fully aware of their inability to counter the Japanese fleet in the Western Pacific and...from this point of view they would welcome an entente with the Royal Navy'. Adm 167/88, Board of Admiralty, Minutes of Meeting 30 November 1933. The British and United States concessions at the 1930 London Naval Conference are a further indication of the fundamental mutual desire in the two navies for cooperation. By 1938 the Admiralty Staff were preparing a naval cipher to be used in cooperation with the United States Navy although it was not issued at the time. Adm 1/9894.

free from war, crippling financial restriction or postponement of policy directives. The Bruce-Page Government took British policy as its own. This provided a coherent policy for naval defence even if it was a somewhat uncritical acceptance of overseas advice. The improving economic climate ensured sufficient finance for a modest amount of good equipment and for adequate training.

The ACNB remained with the same restricted power with which it had emerged from the 1918 Royal Commission. Because of the advisory nature of the Board and the lack of direct contact between Board and Minister, the Secretary of the Defence Department became the link between them and so dominated the nexus between Service and Government. The Secretary's position was strengthened by his permanence vis-à-vis service heads, who changed every two or three years, and Ministers who changed, though less frequently. The lack of a Minister for each service further increased the power of the Secretary of the Defence Department and kept the conflict over scarce defence resources at Chiefs of Staff level rather than allowing it to become an issue of Cabinet debate.

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16 The Department of the Navy was merged with the Defence Department on 21 December 1921 and did not again become a separate Department with its own Minister until 13 November 1939. During the interim the Secretary, Department of the Navy, G. L. Macandie, was designated Secretary to the Naval Board.

**Secretaries of the Defence Department:**

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<tr>
<th>Secretary</th>
<th>From Date</th>
<th>To Date</th>
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<tr>
<td>T. Trumble</td>
<td>1 February 1918</td>
<td>14 July 1927</td>
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<tr>
<td>M. L. Shepherd</td>
<td>15 July 1927</td>
<td>16 November 1937</td>
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<tr>
<td>F. G. Shedden</td>
<td>17 November 1937</td>
<td>14 November 1939</td>
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**Secretaries of Department of the Navy:**

<table>
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<tr>
<th>Secretary</th>
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<tbody>
<tr>
<td>G. L. Macandie</td>
<td>12 July 1915</td>
<td>21 December 1921</td>
</tr>
<tr>
<td>A. H. Monkervis</td>
<td>13 November 1939</td>
<td>9 March 1950</td>
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The effectiveness of the Council of Defence remained limited, and it continued to perform a role subordinate to the CID, without a standing brief or a permanent secretariat. The Council met at the discretion of the Prime Minister. During the Bruce-Page Ministry the Council met on twelve occasions and it met once under Scullin before lapsing until 1935. It was called together on ten occasions

The powers and functions of the Council were:

(1) to ensure that the whole policy of the defence of Australia by the Naval, Military and Air Forces is consistent generally with Imperial plans and especially on such of those grounds as directly concern Australia, and to issue such instructions in connection therewith as are necessary;

(2) to act as the medium of communication with the Committee of Imperial Defence or any other body of a similar nature formed by the Government of the United Kingdom;

(3) to effect such supervision of the approved defence policy in the Naval, Military and Air and Munition branches as will ensure its efficient and economic application;

(4) to co-ordinate the activities of the Naval, Military, Air and Munition branches with each other as well as with those of other Commonwealth Departments and the commercial and manufacturing activities of Australia so far as is necessary to ensure, in case of need, the mobilization of all resources of the defence of Australia; and

(5) to advise upon and supervise the total expenditure upon defence and the distribution of that expenditure.

The Federal Guide: An Index to Departmental Activities and Commonwealth Publications, 1926, p.31. The dependence upon British advice is clear in points (1) and (2). Points (3), (4) and (5) relate to responsibility for implementing such advice. In 1926 the Council was composed of the Prime Minister, S. M. Bruce, the Treasurer, Earle Page, the Minister for Defence, Sir Neville Howse, the First Naval Member, R. Adm. W. R. Napier, the Second Naval Member, Capt. H. P. Cayley (RA), the Commodore Commanding Australian Squadron, Commodore G. F. Hyde, the Chief of the Australian General Staff, Lt. Gen. Sir Harry Chauvel, the Adjutant General, Major-General V. C. M. Sellheim, the First Air Member, General, Major-General W. C. M. Sellheim, the First Air Member, Group Capt. R. Williams, Lt. Gen. Sir John Monash and Secretary of the Treasury were Associate Members. The Department of the Council was the Secretary to the Defence Department, T. Trumble.
between 1935 and the outbreak of World War II. The role of the Council is difficult to gauge and it appears to have been used for different purposes by successive Prime Ministers. It had little effect upon Australian naval policy in the late 1920s, except to provide a forum for Service leaders and Government leaders to argue their ideas, and it certainly failed to become a means of coordinating the thinking and development of the various Government departments, such as External Affairs, which were responsible for areas related to defence. Coordination of policy between Government departments was rare. The Department of External Affairs looked as much to the Foreign Office and information from Casey in the Cabinet Office as the services looked to their respective British counterparts for advice on policy.

It was not until the Defence Committee was set up in 1926 that a more effective organization was found for the analysis of policy and the coordination of the services themselves. The Defence Committee consisted of the three Service Chiefs. It was an inter-departmental committee responsible to the Minister and was not subordinated to the

19 CID. It was intended to be:


19 G. Long, To Benghazi, p.13, 44.4, mentions that the Committee included the Secretary of the Department of Defence. Statutory Rules, 1929, No.26, provided that the Defence Committee should consist of the three Service Chiefs and be appointed by the Minister. The Secretary of the Department of Defence Committee Minutes. The Secretary of the Department of Defence was not ex officio a member of the Committee and attended some meetings in the late 1930s.
an advisory and consultative body to advise the Minister on the initiation and maintenance of a consistent Defence policy directing the common action of the Naval, Military and Air Services and to provide the technical coordinating link between the Naval, Military and Air Boards and the Minister. 20

The injunction to 'initiation' as well as 'maintenance of defence policy' was a significant difference between the Defence Committee and the Council of Defence. The absence of politicians on the Committee led to a frank and sharp airing of views. Committee Minutes provide the best indication of the divergence in thinking between the three services and in the 1930s are the clearest indicator of all Australian archival sources of the growing criticism within the Army and Air Force of Admiralty policy. Although CNS was the senior member, and thus Chairman, of the Defence Committee for a considerable proportion of the time, the Navy did not always get its own way. The Committee provided an outlet for the Army and Air Force staffs to develop and argue policies distinct from those laid down in Whitehall. As dissenting staff appreciations were presented to the Minister, the Minister did have access to other than British advice, but it almost certainly was not widely distributed.

Scarcity of defence finance, however, diverted the services to fighting among themselves instead of combining to press the Government to increase the defence vote. The Defence Committee became the cockpit where the bitterest clashes took place instead of being a means of coordinating service pressure upon the Government to provide more funds. During the late 1920s the primary issue before the Committee was the struggle for control of naval aviation. The issue

20 CAO, CRS A2031, Vol.I, Defence Committee Minutes. 'Statutory Rules', 1929, No.26. The Committee met regularly. In 1927 (the first full year of operation) the Committee held eight meetings, in 1930 four meetings, and in 1936 ten meetings. The Committee continued to meet during World War II. Although, after the outbreak of war in September 1939, most of the Committee's business was concerned with supply, and advice on policy matters was tendered by the Chiefs of Staff Committee.
had been the subject of protracted debate in Britain between the RN and the RAP, and the debate between the RAN and the RAAF was a mirror-image.21 In Australia the question was raised by the construction of HMAS Albatross. Details of the controversy have been outlined by McCarthy, although he did not have access to the Defence Committee Minutes.22 Suffice it to say that the Naval Staff desired control of aircraft operating from their ships and chose to obtain this by allying with the General Staff in a proposal to have the Air Force dismembered and the relevant units placed under Navy and Army command respectively. The tactic was politically naive and most unwise. There was already considerable support within the Government as well as publicly for an independent Air Force,23 and the tactic was unlikely to succeed.

21 For details of the controversy in Britain see Roskill, Naval Policy, Chapters VI, X and XIII.

22 McCarthy, 'Air Power', pp. 41-47 and 52-57. Australian Naval Staff considerations are contained in CAO, MP 981/1, item 415/201/115. 'Fleet Air Arm Organization'.

23 CAO, CRS A2031, Defence Committee, Minutes of Meeting 24 August 1926. Howse to Defence Committee, 2 July 1926. Howse asked for discussion on the establishment of a Fleet Air Arm under the following guidelines:

- No proposal involving duplication of Air Force machinery or establishments, nor increased expense, can be considered; further funds for air defence will be shown in Air Force Votes. I desire that it be understood when considering this question that at present Government policy in the organization of the defence forces is on the existing basis of three co-equal services. The Royal Australian Air Force was constituted by the Air Force Act of 1923 to carry out all air work whether in cooperation with the Navy, the Army, or for any other purpose.

McCarthy's comment that 'It is not possible to show whether Trenchard did decide the question for Howse' (at the Imperial Conference in November 1926) (McCarthy, op.cit., p.56), is thus answered. Howse had decided upon the Air Force's autonomy before the Conference. What Williams was seeking, when he sought Trenchard's support, was to ensure that naval and military pressure did not cause Howse to reverse his decision. McCarthy is wrong when he claimed that the naval aircraft were to be provided from the Naval Vote. (op.cit., p.57) They were to be provided from the Air Force Vote. See

(cont.)
The Navy/Army attack upon the very existence of the Air Force made the ensuing debate intensely bitter and eventually lost the Naval Staff any chance of success that a more moderate case for control of the Fleet Air Arm might have had. The RAN's case was further weakened by the RN losing its attempt to retain the Fleet Air Arm separately from the RAF. The result of the struggle which ensued in 1926 and 1927 was that the RAAF would provide and maintain the aircraft, provide and train the ground staff, and train the pilots. The RAN would provide some pilots, provide and train the observers, and have operational control of the aircraft. For the arrangement to have worked whereby naval aircraft were provided by Air Force Votes, cooperation between the two services would have had to have been reasonably close. In the event, the struggle for funds set the two services at odds with one another. The Navy's tactic of threatening the survival of the Air Force left a deep sense of resentment in the latter service. There was consequently little enthusiasm within the RAAF to provide for naval aircraft, especially as the RAN received the largest proportion of defence funds. The Naval Air Service failed to advance beyond the primitive, but potentially important, beginnings of a seaplane transporter and a squadron of very limited aircraft. At the same time the relationship between the RAN and the RAAF was not at all conducive to the two services' developing the potential of land-based aircraft working with ships in the variety of tasks which were found possible during World War II. Instead the RAAF was given added reason to adhere to and emphasise the separatist doctrines of air warfare which the RAF was developing to disproportionate lengths in order to secure its own existence.

CAO, MP 981/1, item 415/201/115. It was the fact that naval aircraft were to be provided from Air Force Votes rather than any other influence which frustrated the development of naval aviation in Australia.

24 See CAO, CRS A2031, Defence Committee, Minutes of Meetings 26 August 1926, 7 October 1927 and 27 February 1928.
In the more traditional areas of naval service the RAN developed with less travail. After the 1923 Imperial Conference the Naval Staff at Navy Office in Melbourne was expanded from its meagre beginnings of 1920 and by 1926 consisted of four officers including a Director of Naval Intelligence (DNI). The DNI had access to a simple network of naval officers in each major port who reported shipping movements and formed the basis of a shipping control service at the outbreak of war. Outline plans existed for mobilization of reserves but detailed planning was postponed during the 1920s.  

Although the preparation of plans for the expansion of the service in time of war was progressively shelved, the Naval Staff did concern themselves with some of the unique features of Australian conditions. In May 1924 ACNS submitted to CNS that recent fleet exercises had shown a tendency to plan for conditions unlikely to be met in Australian waters, and that a proportion of the gunnery, torpedo and tactical exercises should be based upon situations likely to be faced by the RAN. The CNS, while not prepared to do away with training for Australian units to work as part of a combined fleet with the RN, was prepared for the matter to be discussed with CCAF and the officers of the Fleet. This was subsequently done and arrangements made for problems to be set by Navy Office for investigation by the Fleet in the same way in which the Admiralty sets yearly gunnery problems to be examined by the various squadrons. The problem set by Navy Office will usually be based on likely situations arising from the proposed employment of the Australian Fleet in war.

The appreciation by ACNS of the probable types of encounter with the enemy which would be experienced in Australian waters noted that there was little chance of fleet work or encounter with enemy destroyers. Patrol work against enemy raiders

25 See CAO, MP1049, Series 5, item 202/5/11/1 for restrictions on the growth of Naval Intelligence, and CAO, MP1049, Series 5, item 1987/3/7 for duties of Naval Staff.

26 CAO, MP 1049, Series 5, item 2002/2/5.
would be the predominant employment in the early part of a war, and the first chance of offensive action would probably be against an enemy troop convoy with the destroyers retained for local defence. However, as a result of the Admiralty assumption that in war the RAN would again be subsumed into the RN, the ACNB and succeeding FOCAP continued to emphasise capability to carry out duties as part of a British fleet unit.

One sign of the growing maturity of the RAN and, by reflection, the growing importance of Australia within the Empire was the creation of posts for RAN exchange officers on the Admiralty staff. The immediate objective of the ACNB was one of obtaining important information in Australia without delays. In September 1919 the ACNB recommended that the Naval Representative formerly attached to Australia House in London should be based in the Admiralty building to give him the status of an 'inside officer' instead of being an outsider as at the present.27

The Admiralty's desire for a unified Imperial Admiralty having been squashed by 1923 led to their considering ways of ensuring uniformity throughout the Empire by less formal means. Staff organization was one avenue to be explored. There were two alternatives, viz., creating a separate but parallel Dominion staff, or absorbing Dominion officers into the existing system. The latter alternative was heavily favoured but problems were envisaged in a possible conflict of loyalties on the part of the officers concerned. This arrangement threatened to work against Australia's interests because of differences in Admiralty confidence regarding the various Dominions.28 Another problem was the political use which could be made of information given to Dominion Naval Boards if it were made available to Dominion politicians:

27 CAO, CRS A2585, Naval Board, Minutes of Meeting 8 September 1919.
28 'It has hitherto been thought inadvisable...to place all matter relative to Japan which is known to the Admiralty at the disposal of the Commonwealth Naval Board. If this attitude is to be maintained it would not be possible to treat the Dominion officers as absolutely on a par with other officers of the staff as regards access to papers, etc.' Adm 1/8581/31.
While there is - in theory at any rate - complete cooperation and the frankest exchange of opinion at the Imperial War Cabinet, the political organization is still based on the hegemony of the UK Government in the current administration of Foreign and Imperial affairs and matters of Imperial defence. The Admiralty cannot move in advance of the political organization.29

The frankness regarding the difference between theory and practice is refreshing, but naturally the document was for internal consumption at the Admiralty. The document noted that Admiralty appreciations were based in many cases on factors not fully known to the Dominions and it foresaw the possibility of trouble if such knowledge should be revealed through naval channels.

On 28 June 1920 a Staff conference at the Admiralty recommended that the only way to establish mutual confidence and ensure useful cooperation between Dominion and Imperial navies was to take officers fully onto the staff. The problem of access was to be handled by compiling a list of papers which were to be withheld. The list was to be kept as small as possible and:

as a broad principle papers to be withheld should be confined to those dealing with discussions of past or present policy out of which Dominion Politicians might make capital or those of special secrecy, such as War Plans, which at the present stage should not be divulged to Dominion Officers.

This plan confirms the point made earlier that the Dominions had been allowed to discuss details but not to assess the policy of Empire defence in sufficient depth to be in a position to decide whether Empire defence could really meet their needs. The Staff conference also recommended that Dominion officers on the Staff report home only through the Admiralty and that they be verbally informed that they were relied upon not to communicate official matters to their Boards except through Admiralty:

29 ibid.
30 ibid.
and especially not to communicate any matter which might give offence to their respective countrymen or cause unnecessary friction.\textsuperscript{31}

The most sensitive indicator of Australia's status within the Empire relationship is the quality of intelligence shared. It is not possible to examine the subject in great detail but some generalizations may be made.\textsuperscript{32} It is certain that at the most general level of intelligence the RAN shared to some extent with RN stations in intelligence circulated.

\textsuperscript{31} ibid. So far as the records show, Australian officers were the only Dominion officers who were appointed to the Admiralty staff at least in the early years of the scheme. Vice Admiral Sir John Collins confirmed that, in his experience, Australians were the only Dominion officers to work on the Naval Staff, though he could only speak of the 'Staff Divisions (Plans-Operations etc.)' and had no knowledge of the Technical departments. Collins to the author, 22 March 1973. The records do not show to what extent this softened the reluctance of Admiralty to divulge secret information or whether the list of documents to be withheld was more or less extensive as a result of RAN officers being the only participants in the scheme. The first RAN officer to serve under the scheme was Captain W. H. C. S. Thring. Collins, then a Commander, served under the scheme in 1933-34. Collins, \textit{As Luck}, p.52.

Collins, Sir John Augustine. Born 1899, Tasmania. Entered RANC, 1913; served in Grand Fleet during World War I, gunnery specialist; promoted Commander and attended Staff Course, Greenwich, 1932; Commander HMAS Sydney, 1935-37; promoted Captain, 1938; ACNS, 1938-39; Captain of HMAS Sydney, 1939-41; Assistant Chief of Staff Singapore, 1941; Commodore Commanding China Force, 1941; Captain HMAS Shropshire, 1943-44; Commanded HM Aust. Squadron, 1944-45; promoted Commodore First Class, 1944; promoted Rear Admiral and attended Imperial Defence College, 1947; First Naval Member and CMS, 1947-55; promoted Vice Admiral, 1950; Aust. High Commissioner to New Zealand, 1956-62. Created C.B., 1940; K.B.E., 1951.

\textsuperscript{32} Intelligence is normally shared without leaving much evidence for the historian to follow. Agreements are generally informal, made at a high service level and left to be worked out in practice. Personal relationships are all important and concern for the protection of the source of information results in its circulation being severely limited. It is obvious from the finding aids that relatively little naval intelligence material has reached the shelves of the PRO or CAO. Formal enquiry regarding naval intelligence material not in the CAO resulted in the statement from a high official source that 'certain intelligence material concerning the inter-war period is still not available for security reasons'.
Monthly summaries from DNI, Admiralty were received by DNI, Navy Office. Some copies of New Zealand monthly intelligence exist in CAO archives, along with some annual reports on the Japanese Navy and other similar subjects. Intelligence sharing at this level seems to have been poor during World War I, but to have improved after 1923. The posting of RAN officers to the Admiralty staff did not increase the flow of intelligence to the RAN, though it did give Australian officers experience in a large staff organization. With one exception, no Australian officer during the inter-war years served in the Intelligence Division at Admiralty and it is unlikely that the Defence Department were aware of how little information the RAN was receiving. The exception was T. E. Nave, who was an accomplished Japanese linguist. The Admiralty were anxious to use Nave and by 1930 he had transferred to the RN, with whom he had served since 1925.

33 CAO, MP 1049, Series 1, Series 5 and Series 9 contain Navy intelligence documents at this level of intelligence sharing.

34 Captain G. F. Hyde, Director of War Staff in the RAN, noted in a Minute to the First Naval Member that there was an almost complete lack of information in the Department with regard to many important matters, of which a few may be specified - new types of ship, changes in ship and engine design, utility of certain new types of war vessel, changes in ordinance, torpedoes and other material. Director of War Staff to First Naval Member, April 1919. CAO, MP 1049, Series 1, item 19/0256. 'Interchange of Intelligence Between the Admiralty and the Navy Office'.

35 'Exchange officers were never used for exchange [of information - where necessary] a trusted or popular officer could be briefed'. Captain T. E. Nave to author, 6 October, 1973. Collins recalled that it was obvious to him when he was working with the Admiralty Staff in 1933 on the seaward defences of Singapore that the base would be easy to capture as the fresh water supply was piped across the causeway from the mainland. He did not make his misgivings known to his contemporaries in the War Office across Whitehall who were working on the landward defences of the base because 'in those days, for some reason, it just wasn't done'. So far as he could remember, he did not make his doubts known in a formal way to the ACNB on his return to Australia. Interview with Vice Admiral Sir John Collins, 3 March 1972.
In general, intelligence sharing was a one-way traffic, from RN to RAN. The RAN contributed information of marginal importance such as information on visiting warships and suitable anchorages for mobile harbours in the South West Pacific. On one occasion a very full and detailed report on the USS Astoria, a visiting American cruiser which was newly built and of which the Admiralty were anxious to have details, earned the RAN intelligence branch high praise from the Admiralty. However, active intelligence gathering in Australia was limited to a very basic level and significant contribution to Admiralty intelligence was slight. The first significant information which Australia was able to contribute to her allies was from the coastwatching organisation during World War II. The RAN would have been able to take some initiatives in intelligence gathering, particularly in the field of oceanographic data, with the 'O' class submarines had these vessels been operational in Australia for more than a short period. Without the submarines the RAN lacked the capability of gathering intelligence at sea and its radio stations in Australia were too far south for the radio equipment then in use to share more than marginally in cryptographic work against the Japanese. With the demise of Pearce's Pacific Branch in the Prime Minister's Department Australian attempts to gather intelligence regarding Japan all but ceased. Little appears to have been done to assess Japanese preparations in their mandated islands as the islands lay outside the Australia Station and were considered a British intelligence responsibility.

In terms of significant intelligence material, especially cryptographic material, the quality of intelligence at Navy Office was meagre until Admiral Sir Ragnar Colvin became First Naval Member in 1938. Then a combination of the worsening situation in Europe as a result of the Munich crisis, and the respect in which Colvin was held at the Admiralty, gave the RAN greater access to significant intelligence.

36 CAC, MP1049, Series 5, item 2026/8/57.
material. In the intervening period, two interrelated factors - protection of source and 'need to know' - curtailed the amount of information given to Australia. The necessity to protect the source of intelligence made limitation of distribution an important consideration. Distribution of information depended upon confidence in the recipient and his ability to safeguard the information shared. Australian Government Departments were not respected by the Admiralty for their ability to keep highly secret information inviolate, hence a practice developed of sending Admiralty intelligence to DNI, Navy Office on the understanding that it did not go to External Affairs or other Departments. In most cases only matter considered unimportant was passed on even under that stricture. The political integrity of the Government as judged by the Admiralty was an important factor. The restrictions placed upon HMAS Brisbane during the China disturbances in 1925 reduced Admiralty trust in the Australian Government, which was not high before the incident. Vice Admiral A. F. Everett, recently retired as First Naval Member, wrote to the Admiralty in 1924 that the RCNB had so little confidence in the Australian Government committing the RAN to Admiralty control at the outbreak of war, if a potential enemy were within striking distance, that the Australian Naval War Orders based on Admiralty plans had never been shown to any Minister for Defence.

37 Captain T. E. Nave to author, 8 October 1973.

38 Interview with Captain T. E. Nave, 5 February 1974. In London, Ramsay MacDonald was treated with complete reserve by Intelligence circles during his first term in office because he had declared for open diplomacy. During his second term he was given considerable information because he requested it and had built up sufficient confidence with the Intelligence fraternity.

39 Everett also informed the Admiralty:
   The leakage of the contents of secret documents in the Australian Government civil offices is, to my mind, a serious factor to be guarded against as much as possible. Thus it has been that the First Naval Member and his confidential assistants have been compelled to compile orders which may not mature.

A. F. Everett to Secretary, the Admiralty, 3 June 1924. Adm 116/3167.
At the same time, really secret information was not risked upon the RAN because it was considered by the Admiralty that Australia had no need to know of it. The decision of what Australia needed to know was in itself a comment on the state of the relationship between Britain and Australia. There was probably information held by the Naval Intelligence Division at the Admiralty about German and Japanese diplomatic and military initiatives during the 1930s which, if divulged to the Lyons Government, might have shaken the Government out of its complacency in regard to defence. British Intelligence had broken German and Japanese ciphers and had considerable knowledge of defence and foreign policy issues in those countries. However, the nature of the Empire relationship was such that it was considered within the Admiralty that the Australian Government had no need to know the information. 40 Australian dependence on Britain in the field of intelligence had the drawback that while Admiralty and other advisers stressed the Australian need for a Blue Water fleet, they allowed RAN intelligence to exist at a level which was commensurate with a local-defence force, the effect being to increase overall dependence.

The cruiser exchange scheme contributed to keeping the standards of HMA Ships as high as their British counterparts. Steps were taken during 1923 to arrange such a scheme and the first exchange took place in 1924. 41 The major problems to

40 Interview with Captain T.E. Nave, 5 February 1974.

41 HMAS Adelaide went to Britain with the returning Special Service Squadron and was away for six months. The 1925 exchange was arranged by HMS Concord returning with Adelaide in November 1924, meeting the Australian Squadron in Singapore, where Rear Admiral Hall Thompson was attending the Flag Officers Conference, and then cruising with the Australian Squadron while HMAS Brisbane served on exchange duty with the China Squadron. Brisbane was thus in Chinese waters when the crisis developed in June 1925. Brisbane returned to Australian waters in mid-August 1925 to refit and left on

(cont.)
be overcome were the length of time lost in transit (four months) by each ship and the reversed seasons between the two hemispheres which meant that to join the spring exercises in the opposite hemisphere the exchange cruiser was absent from its normal base during the normal period for refit, leave and training in schools ashore. In 1927 amended arrangements were made for exchange duty of twelve months scheduled every two years. The Australian leave period was reorganized to fall at Easter instead of at Christmas in order to allow as much sea-time with RN ships as possible.

The RAN had only three cruisers in commission during this period. The annual absence of one disrupted the training programme of the squadron and meant that personnel spent a high proportion of their time overseas away from their families and from other forms of training in Australia. Despite this disadvantage the ACNB felt the RAN derived a great deal from the scheme. At the same time they stressed, somewhat defensively, that the RN cruiser also gained benefits from serving on a foreign station. However, in view of the large number of opportunities open to the RN for foreign service it could not be seriously entertained that they derived as much benefit from the scheme as did the RAN. 42

In April 1927 the Defence Department put the suggestion to Admiralty that exchange be for eighteen months every three years so that all Australian cruisers would be able to work to cancel the exchange of a further Australian cruiser in 1927. The Admiralty decided not to send a cruiser to Australia on the grounds that HRH the Duke of York was being carried to Melbourne for the centenary celebrations in one of the RN cruisers, but it is more likely that they regarded exchange service as of little benefit to the RN. CAO, M1049, Series 5, items 2026/3/31, 2026/3/44 and 2026/3/47. 'Exchange of Cruisers'. 42

42 In 1937 the Admiralty staff calculated that since 1921 the number of personnel on foreign service had increased by 100 per cent for the China Station, 100 per cent for the American and West Indies Station, 50 per cent for the East Indies and Mediterranean Station. By 1937 the large proportion of time spent on foreign stations was a significant factor depressing naval recruiting in Britain. Adm 1/9181.
together and with New Zealand ships. In August 1928 it was decided that the exchange duty of Canberra previously set for 1930 would be postponed until 1931 because the crew had spent a considerable time in Britain during 1928 commissioning the ship and it was felt to be undesirable to send them back so soon or to change the crew about. Another problem was that a number of senior ratings, especially gun house numbers, had been obtained on loan from the RN to commission the more technically advanced 'Kent' Class cruisers and the ACNB did not regard it as profitable to send those men back to serve with RN units. The exchange scheme was overtaken by the depression and did not recommence until the mid-1930s.

The RANC was yet another important element of the RAN which developed with considerable dependence on the RN. A detailed account of the College's development has been given by Eldridge, but it is worthy of note that the RANC took its first intake of students in 1913, only two years after the decision was made to have an independent Australian navy. Collins emphasises the strong foundations laid at the RANC from the outset by the RN staff of the College. Officers graduating from the RANC as Midshipmen spent three and a half years at sea gaining experience. In the period between the wars it was usual for Midshipmen to spend their first year in an RAN ship and then to serve the remainder of the period with the RN. Upon being promoted to Lieutenant, officers undertook courses in Gunnery, Torpedo and Navigation at RN establishments in

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43 HMAS Australia was commissioned on 24 April 1928 and HMAS Canberra was commissioned on 10 July 1928. Both ships were two months behind the contract date. Their price had risen to £2,384,000 each by reason of design modifications and the cost of direct transit from Britain to Australia was £50,000 each. Australia paid visits in the United States on her way out which further increased the cost of her voyage. See CAO, A1608, item A15/1/6, 'Construction of Cruisers'.


45 Collins, *As Luck*, p.18. Vice Admiral Collins entered the College in the first intake on 31 December 1912.
Britain. The RAN thus avoided the cost of running such schools. Subsequent training included exchange service with the RN and attendance at advanced schools including staff college. One or two Australian officers attended the Imperial Defence College each year, being drawn from the Navy, Army, Air Force and Civil Service in turn.

The 'Australianizing' of the RAN was a slow process despite occasional criticism from the Labor Party of British officers. The rate at which Australian commissioned officers were promoted was fixed, by the principle of interchangeability, to the British rates. Thus the members of the first intake into the RANC in 1913 were promoted Lieutenant in 1922, but were not due for promotion to Commander until 1931, Captain until 1937 or Rear Admiral until 1947. The list of Flag Officers commanding the Australian Fleet shows that three of the twelve officers who held the appointment between 1919 and 1942 were Australian born and a fourth, Hyde, was an RAN officer. The Admiralty did try to appoint Australian born officers in the RN or officers with Australian sympathies for loan service with the RAN, but they were not able to do so in every case. The lower deck of the RAN was predominantly Australian by 1923,

46 CAO, CRS A2585. Naval Board, Minutes of Meeting 16 October 1931.

47 CAO, A461, item I 337/1/7 contains detail on attendance of Australian officers at the Imperial Defence College. Admiral Richmond was Commandant of the College, 1927-28.

48 Despite the small size of the RAN, the opportunity for exchange in the RN enabled RAN Lieutenants and Commanders to serve in a variety of posts and gain the required sea-time to be accorded equal status with their RN counterparts. See Adm 116/2389.

49 See G. H. Gill, Royal Australian Navy, 1939-1942, Appendix 2, pp. 651-2.
the exceptions being senior ratings with highly technical skills. Thus the RAN was 'Australianized' from the bottom upwards.\footnote{Adm 1/8702/149.}

Neither the Bruce-Page Government nor the Admiralty were concerned to hurry the 'Australianizing' of the RAN. Both were more concerned with the fostering of high standards than with the rapid creation of a self-sufficient service. Within the service, officers were conscious and proud of their Australian identity without a sense of inferiority.\footnote{Collins, \textit{As Luck, and Feakes, White Ensign}, both illustrate this point in an implicit fashion.}

A sense of the RAN being a sister service in the naval forces of the Empire was more predominant among naval officers than a sense of nationalism and a desire to be distinctive.

By the end of the 1920s the RAN possessed a predominantly obsolescent fleet (see Table 2); however, it also possessed some extremely good ships in the 'Kent' class cruisers and the 'C' class submarines.\footnote{The 'Kent' class cruisers, to which design Australia and Canberra were built, were regarded at the time as being Britain's 'best and latest' cruisers. Adm 167/77, Board of Admiralty, Minutes of Meeting 8 February 1928. The class designation was later changed to 'County'. The 'C' class submarines Oxley and Otway were of the latest British design and the class was still in the process of having design faults ironed out when the two Australian boats departed for Malta for two engine mountings and the boats were docked at Malta for two}

Moreover, the second five year

\begin{table}
\centering
\begin{tabular}{|c|c|c|c|}
\hline
\textbf{Year} & \textbf{RN} & \textbf{RAN} & \textbf{Total} & \textbf{\% RAN Personnel} \\
\hline
1914 & 900 & 2,700 & 3,600 & 75 \\
1915 & 1,100 & 3,300 & 4,400 & 75 \\
1916 & 900 & 3,600 & 4,500 & 80 \\
1917 & 700 & 4,000 & 4,700 & 85 \\
1918 & 800 & 4,200 & 5,000 & 84 \\
1919 & 1,000 & 4,200 & 5,200 & 81 \\
1920 & 1,100 & 4,200 & 5,300 & 79 \\
1921 & 1,600 & 3,500 & 4,900 & 67 \\
1922 & 800 & 3,400 & 4,200 & 81 \\
1923 & 500 & 3,400 & 3,900 & 87 \\
1924 & 400 & 3,600 & 4,000 & 90 \\
1925 & 400 & 4,000 & 4,400 & 91 \\
\hline
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<thead>
<tr>
<th>TYPE</th>
<th>MAIN ARMAMENT</th>
<th>SPEED KNOTS</th>
<th>TONNAGE</th>
<th>FIRST COMMISSIONED</th>
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<tr>
<td>Cruisers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>8&quot;</td>
<td>31.5</td>
<td>10,000 tons</td>
<td>1928</td>
</tr>
<tr>
<td>Canberra</td>
<td>8&quot;</td>
<td>31.5</td>
<td>10,000 tons</td>
<td>1928</td>
</tr>
<tr>
<td>Adelaide</td>
<td>6&quot;</td>
<td>25.5</td>
<td>5,500 tons</td>
<td>1922</td>
</tr>
<tr>
<td>Brisbane</td>
<td>6&quot;</td>
<td>25.5</td>
<td>5,400 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Seaplane Carrier</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albatross</td>
<td>9 seaplanes</td>
<td>21</td>
<td>6,000 tons</td>
<td>1928</td>
</tr>
<tr>
<td></td>
<td>4.7&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flotilla Leader</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anzac</td>
<td>4&quot;</td>
<td>34</td>
<td>1,660 tons</td>
<td>1918</td>
</tr>
<tr>
<td>Destroyers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huon</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1915</td>
</tr>
<tr>
<td>Parramatta</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1912</td>
</tr>
<tr>
<td>Swan</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Torrens</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Warrego</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1912</td>
</tr>
<tr>
<td>Yarra</td>
<td>4&quot;</td>
<td>26</td>
<td>700 tons</td>
<td>1912</td>
</tr>
<tr>
<td>stalwart</td>
<td>4&quot;</td>
<td>36</td>
<td>1,075 tons</td>
<td>1917</td>
</tr>
<tr>
<td>Success</td>
<td>4&quot;</td>
<td>36</td>
<td>1,075 tons</td>
<td>1917</td>
</tr>
<tr>
<td>swordsman</td>
<td>4&quot;</td>
<td>36</td>
<td>1,075 tons</td>
<td>1917</td>
</tr>
<tr>
<td>Tasmania</td>
<td>4&quot;</td>
<td>36</td>
<td>1,075 tons</td>
<td>1917</td>
</tr>
<tr>
<td>Tattoo</td>
<td>4&quot;</td>
<td>36</td>
<td>1,075 tons</td>
<td>1917</td>
</tr>
<tr>
<td>Depot Ship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platypus</td>
<td>4.7&quot;</td>
<td>16</td>
<td>3,460 tons</td>
<td>1917</td>
</tr>
<tr>
<td>Penguin</td>
<td>-</td>
<td>11</td>
<td>5,880 tons</td>
<td>pre-1910</td>
</tr>
<tr>
<td>Fleet Oilers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurumba</td>
<td>-</td>
<td>12</td>
<td>3,970 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Biloeela</td>
<td>4&quot;</td>
<td>11</td>
<td>5,700 tons</td>
<td>1920</td>
</tr>
<tr>
<td>Submarines</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otway</td>
<td>(4&quot; gun)</td>
<td>15.5 surfaced</td>
<td>1,400 tons</td>
<td>1928</td>
</tr>
<tr>
<td>Oxley</td>
<td>(8 21&quot; tubes)</td>
<td></td>
<td>1,400 tons</td>
<td>1928</td>
</tr>
<tr>
<td>Sloops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geranium</td>
<td>4&quot;</td>
<td>16.5</td>
<td>1,250 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Hallow</td>
<td>12 pd.</td>
<td>16.5</td>
<td>1,200 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Marguerite</td>
<td>4&quot;</td>
<td>16.5</td>
<td>1,250 tons</td>
<td>1916</td>
</tr>
<tr>
<td>Moresby</td>
<td></td>
<td></td>
<td>1,320 tons</td>
<td>1918</td>
</tr>
</tbody>
</table>
programme promised the addition of more vessels of high quality. The strains on the Navy from the introduction of the new ships were being overcome. The Australian Squadron had been commanded for the first time by an RAN Flag Officer, Rear Admiral G. F. Hyde, who was scheduled for exchange with the RN to command the 3rd Battle Squadron in 1930. The RAN was capable of both offensive action beyond months for replacement of the defective structure by the makers. However, the incident caused questions to be asked in the Commonwealth Parliament on 27 April 1928, much to the embarrassment of the Government. CPD, Vol. 118, p. 4478. The boats reached Australia in January 1929. After their arrival they caused intermittent trouble. They had complex, advanced design switching gear which gave trouble throughout the time the boats were in Australia. Because of the diminutive size of the RAN such a matter became widely known. Interview with Commander J. Donovan, RAN (Retired), 24 January 1972. Commander Donovan served in the 'O' class boats while they were in Australia. A letter in Admiral Richmond's papers from an official of the Defence Department noted that the Labor press in Australia was being 'particularly offensive' to the Navy and was trying to make political capital out of the submarines' delay at Malta. Frazier to Richmond, 31 October 1928. Richmond Papers, RIC/7/2, NMM. The letter is written on Defence Department letterhead.

53 The second five year plan provided for an increase of oil reserves, construction of wireless transmission stations at Canberra and Darwin, a third cruiser according to the Admiralty's 1923 programme, a new depot ship for the submarine squadron, four 'O' class submarines to complete the squadron, and a 7,500 ton oil tanker. CAO, MP1049, Series 5, item 1855/2/16.

54 Adm 1/8702/149. In preparation for the 1926 Imperial Conference the Admiralty staff noted: The RAN is concentrating on the training of youths during the next two years principally for the new vessels, rather than the maintenance of the normal standard of fleet efficiency. Until further notice the fleet is being regarded largely as a training squadron and the RAN Board is prepared to accept a very considerable reduction of G(unny) and T(orpedo) practices in order that the training of personnel for the new cruisers may be concentrated upon.

55 Hyde was appointed CCAF on 30 April 1926. At his suggestion the title of the unit was made less pretentious by being changed to the Australian Squadron. CAO, MP124, Series 6, item 404/201/87, Hyde to Sec. Naval Board, 14 June 1926. He was promoted Rear Admiral 1 May 1928 and commanded the Australian Squadron until 15 May 1929.
the Australia Station and protecting Australian waters, a start had been made with air cooperation, a comprehensive staff organization was being built up, although it was really still in its infancy, and Australian officers and ratings were gaining in experience and assuming higher loads of responsibility.

On the debit side, there were signs that dependence upon the RN was restricting RAN initiative outside the Australia Station, the service to government nexus emphasised the civilian element of the Defence Department and rivalry rather than cooperation characterised the Navy's relationship with the other services. The RAN was closer to the RN than it was to the Australian Army or the RAAF. Australia's outlook upon international affairs was based almost entirely upon information generated in Whitehall and the shortcomings of that outlook were difficult to perceive.

In sum, the developments of the late 1920s gave little reason for immediate concern regarding Australia's security. However, the problems which were to dominate Imperial Councils in the following decade were emerging and were to be accelerated by the impending economic crisis. The refurbishment of the RAN was begun in a promising fashion but the continued uncritical deference to British advice tended to negate the professions of Dominion independence in which Australia joined. The total Australian reliance upon British diplomatic and service intelligence made it unlikely that the sense of Australian dependence upon Britain would decline in the near future. The onset of the depression was to further strengthen the sense of dependence.
CHAPTER EIGHT

CONTRACTION OF THE RAN, 1930 TO 1932

The depression acts as a boundary between two distinct periods in the development of the RAN. Under Bruce the RAN enjoyed progressive development in a period of relative international stability. Under Lyons the service was to see development postponed in a period of growing international tension. The intervening years represent a hiatus in naval development which saw the service cut back to a level of expenditure below that of 1921-24, and led the Admiralty to reduce the strategic role of the RAN. The discontinuity forced the RAN to rely increasingly on RN resources and this trend was exacerbated by the Scullin Government's readiness to use the Admiralty's willingness to support the RAN to ease its own political path. Consequently the Scullin Government made more severe reductions to the defence budget than might have otherwise been possible.

Reduction of naval expenditure began under the Bruce-Page Government. In fact general naval expenditure (as distinct from appropriations for construction) declined gradually from £2,765,033 in 1926/27 to £2,198,891 in 1929/30.1 Appropriations for construction were reduced from

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1 Year Book of the Commonwealth of Australia, 1930. See Figure 1.
Figure 1

Naval Expenditure, 1925-26 to 1933-34

Figures are taken from the relevant volumes of *Year Books of the Commonwealth of Australia*
£2,262,199 in 1926/27 to £360,000 in 1929/30 as the five year programme carried major expenditure for the two cruisers early in the programme. On 18 June 1929 the ACNB, acting under instructions from the Government, considered means of further reducing the naval estimates. They recommended reduction of sea-going personnel by 600 to 4,036 officers and ratings, downgrading reserve ships, reduction of the staff at Flinders Naval Depot by 63 ratings (a 10 per cent reduction of staff), reduction of the River Class destroyers to emergency status, reduction of complement of the 'S' class destroyers to three fifths normal complement and limitations on their cruising, reduction of fuel for cruisers and Albatross to 45 days' steaming at economical speed and reduction of fuel for the destroyers and submarines to 30 and 40 days' respectively. The consequent reduction was planned to amount to £320,000 out of a total planned reduction for the Defence Department of £500,000. The plan left two 8 inch cruisers, Albatross, the 'S' class destroyers, and the two submarines in commission with the 6 inch cruiser Adelaide completing a refit.²

The elections of October 1929 which put the Labor Party into office in Canberra brought A.E. Green to the Defence portfolio.³ The new Government rushed further defence cuts through the House in a Budget which pruned £14,000 from the Naval Vote, £134,000 from the Army and £15,000 from the Air Force Vote. The main feature of the new reductions was the abolition of compulsory military service in the Army, a move which generated considerable reaction from the Opposition.⁴ However, as the Budget also proposed increases to income tax the reduction was generally approved of.

² CAO, MP1049, Series 5, item 1868/2/1.
The Naval reduction and the Labor Party's predilection to retain a separate Air Force, announced at the same time, had two important consequences. The latter meant that Naval aviation would continue to be neglected as it maintained a place low on the Air Force's order of priorities. The former led directly to the disbanding of the submarine squadron.  

The First Naval Member, Rear Admiral W. Munro Kerr, was strongly opposed to the retention of submarines in the RAN, for reasons which will be examined below. Financial reductions provided him with strong arguments for their exclusion. He submitted his arguments to Cabinet in early December 1929 and fought vociferously against the submarines until they were returned to Britain late the following year. His case was built on the need for a homogeneous naval force:

HMA Squadron, as at present constituted, is neither "fish, flesh, fowl nor good herring", consisting as it does of incomplete units of various types of ship. These units are part of an ambitious programme embarked on in years of greater prosperity than the present.  

He wished to concentrate on keeping one unit efficient and the most important, in his view, was the cruiser squadron plus Albatross.

The destroyers and sloops he was prepared to see decommissioned. The submarines, he felt, should be returned

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5 It was ironic that a popular Labor idea on defence should be the first casualty of the new Government; however, it should be noted that the submarine supporters in the Labor Party contemplated their use for local defence rather than long-range offensive action.

6 Kerr, W.M. Born 1876. Served in Mediterranean, Australia, West Indies, Atlantic and Home Fleets; post-war operations in Baltic and Black Sea, 1918-19; commanded HMS Caradoc, 1917-19; Captain of Dockyard and King's Harbourmaster, Rosyth, 1921-23; Senior Officer Reserve Fleet, The Nore, 1924-25; commanded Aircraft Carrier Eagle, 1925-26; ADC to King, 1926; Rear Admiral, 1927; Rear Admiral 1st Battle Squadron, Mediterranean, 1928-29; First Naval Member of ACNB, 1929-31; Vice Admiral, 1931; Vice Admiral Commanding Reserve Fleet, 1932-34; CB, 1929; KBE, 1935.

7 CAO, MP1049, Series 9, item 1937/2/15.
to the RN as it was difficult and expensive to maintain them out of commission. The crux of the matter was the choice between keeping one unit in commission or keeping individual vessels of a number of classes in commission to maintain the capacity for future development of a balanced fleet.

Kerr's arguments against the submarines stemmed from the immediate financial trouble and made no allowance for any future improvement in the situation which would again make expansion of the RAN possible. It was not a view which showed great breadth of perception. One cannot help wondering to what extent it was conditioned by the short-term nature of his appointment in the RAN and his previous experience in reserve fleets. The Defence Department was working, at the time, on the assumption of there being little likelihood of a major war in the next seven years. There was no desperate need to keep one unit at full efficiency. In any case full efficiency, even for one unit, was not possible with fuel for training reduced. There was a good case for decommissioning the destroyers as they were obsolescent and could be kept in reserve relatively cheaply. General skills of seamanship, kept up to date in other surface ships, could be quickly transferred to the destroyers when they were again commissioned. The same was not the case with the submarines. Specialist skills were required for the submarines which, once lost, would take many years to regain. A longer-term view than Kerr's might have kept the two submarines as the basis upon which to continue the

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8 Kerr wrote privately to the First Sea Lord of the state of the RAN:
   
   ...owing to enthusiastic advice having been given and accepted in the past - advice based on an optimistic forecast of the future financial resources of the country which has not in fact been realised.

ibid.

development of a submarine squadron in the future. The decision was complicated, however, by other considerations.

Submarines were not a weapon upon which the majority of British naval officers looked with approbation. Roskill notes the RN's neglect of the tactical and strategic influence of submarines.\(^{10}\) Quite apart from his own inclination, Kerr was under pressure from the fleet to be rid of the boats which were unpopular with two Rear Admirals Commanding the Australian Squadron. Hyde in December 1928 had minuted his opposition to the submarines - their crews could not be exchanged around the Fleet, they were always breaking down, they were expensive, and they needed specialists to maintain them.\(^{11}\) His successor,

\(^{10}\) The submarine service regarded itself as "a private navy" and was treated as such by the other specialist branches. This led to a failure to integrate the submarine service into the Navy as a whole, and to widespread ignorance among other specialists regarding the potentialities - and the weaknesses - of the submarine arm.

Roskill, Naval Policy, p.536-7. See also Gray, A Damn Un-English Weapon.

\(^{11}\) RACAS to CNS, 14 December 1928. CAO, MP1049, Series 5, item 1855/2/16. Hyde had discussed the matter with the Admiralty and had the impression they would change their advice. He felt submarines were useless for local defence and if intended for offensive purposes in the Far East should be based at Singapore.

The only known reasons for maintaining ocean-going submarines in Australian Waters are presumed to be political, and appear to be based on the erroneous political and public opinion of the value of submarines primarily as a defensive weapon. The Australian government's support of the Admiralty advice in 1923 (CID Paper 495-C) in favour of Australia's maintaining a squadron of long-range submarines for offensive action to harass attacks on Singapore in the period before relief and in favour of developing Darwin as a forward base.
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Hyde's view overlooks the Admiralty advice in 1923 (CID Paper 195-C) in favour of Australia's maintaining a squadron of long-range submarines for offensive action to harass attacks on Singapore in the period before relief and in favour of developing Darwin as a forward base.
Rear Admiral E. R. G. R. Evans,\textsuperscript{12} was less vociferous against the submarines but as a destroyer man was keener to maintain the destroyers. The CNS assured him he would not have his destroyers taken away.\textsuperscript{13}

The attitudes of Hyde, Evans and Kerr reflect the obsession of the RN with fleet actions and the care with which the Australian Squadron was trained to partake in such. Submarines were looked down upon as the weapon of a weaker Power. The closeness of the relationship between the RAN and the RN and the concept of Empire defence prevented adequate realization in Australia of the fact that ultimately Australia was a weaker naval Power and could not afford to disdain naval tactics which had been highly effective for other weaker Powers.

Kerr was also fighting to keep Albatross in commission with the cruisers. Here, again, the short-term emphasis in his outlook is manifest. It had been evident from at least the time Albatross was completed in 1928 that her usefulness would be limited for some time.\textsuperscript{14} His enthusiasm for air

\textsuperscript{12} Evans, E. R. G. R. Born 1881. Known in the Service as 'Evans of the Broke'. KCB, DSO, (Later Lord Mountevans). Second in Command British Arctic Expedition, 1909-13; commanded HMS Broke in 1917 when, with another destroyer, defeated six German destroyers in the English Channel; RACAS, 1929-31; C-in-C Africa Station, 1933-35; C-in-C The Nore, 1935-39; London Regional Commissioner for Defence, 1939-45. Evans is recognised in RAN circles as one of the most distinguished officers to command the Australian Squadron and to have contributed greatly to maintaining morale during the depression.

\textsuperscript{13} Kerr to Evans, (undated) December 1929. CAO, MP1049, Series 9, item 1937/2/15.

\textsuperscript{14} The catapults with which she was to have been equipped were still being developed and were not ready until 1936. Aircraft could not be brought from below decks in any but ideal conditions as the vessel had been constructed without inter-deck lifts and relied on derricks to lift her aircraft on deck. Navy Quarterly, vol.2, no.2, 1973, p.8. See also CFD, Vol.118, p.4313. Her final cost was £1,400,000.
cooperation was misplaced when he argued for retention
of Albatross instead of the submarines:

It is intended to retain Albatross as an
adjunct to the cruiser squadron. She is
considered a useful ship in several
respects and necessary to enable air-
cooperation to take place. She would be
very suitable for police work in the
Islands if required.  

Police work in the Islands, had it been necessary, could
have been performed more easily and cheaply by one of the
sloops. Albatross was of some use in air cooperation
training, especially as the 8 inch cruisers were not
fitted with catapults until the late 1930s. However, such
training could have been carried out almost as efficiently
from naval air stations ashore; Albatross could have been
kept in reserve relatively cheaply and easily as she was not
a complicated vessel; and the skills needed to commission
her were not so specialized that her crew could not have
been transferred from other surface vessels. The Naval Air
Cooperation Squadron could have been resuscitated more
easily than the submarine service. On 5 December 1929
Kerr wrote privately to the First Sea Lord to explore the
possibility of transferring the submarines to the RN and of
Australia acquiring a 'C' or 'D' class cruiser. The
outcome of Kerr's campaign will be examined in relation to
the 1930 Imperial Conference.

15 CAO, MP1049, Series 9, item 1937/2/15.

16 Commander Donovan related an altercation which he
overheard between Green and Kerr at the dockside where Oxley
and Otway were berthed. Kerr threatened to resign if the
submarines were not reduced from strength. Donovan also
claimed that background feeling still existed in the service
against the submarines, chiefly on the grounds that naval
discipline was subverted by the submarine service. Interview
with Commander Donovan, 24 January 1972.

17 CAO, MP1049, Series 9, 1937/2/15. This letter was sent
before the Australian Cabinet considered Kerr's submission.
As no Cabinet records were kept there is no indication of
Cabinet's decision but the submarines were not reduced from
commissioned strength until April 1930. The 'C' and 'D'
classes of cruisers were old classes, due to be rated
over-age by 1935.
In the meantime, the London Naval Conference met from January to April 1930. As far as Australia was concerned, its principal short-term effect was the immediate scrapping of the ageing River class destroyers. However, the effects of the Conference upon the RN had serious consequences for Australia in the long-term, especially in relation to the Admiralty's enthusiasm for the RAN to develop classes of ship now limited by the resulting Treaty.

The outcome of the London Naval Conference was significantly determined by Ramsay MacDonald's belief in international conciliation. Restoration of good relations with the United States and reversal of the results of the 1927 Geneva Conference were high on MacDonald's order of priorities when the Second Labour Government assumed office in Britain in May 1929. Almost as soon as he became Prime Minister, MacDonald held conversations on naval arms limitation with the U.S. Ambassador in London, General Charles G. Dawes. Invitations to a conference on naval armament were issued to France, Italy and Japan on 7 October 1929 and news of the invitation was communicated to the United States with the request that the Government confirm that it would participate. MacDonald visited the United States later in October when he personally urged the restoration of good relations between America and Britain. His desire for a successful conference on naval arms limitation led him to override the Admiralty's longstanding advice on the number of cruisers necessary for defence of Empire interests. To ensure United States' support for the Conference, MacDonald made concessions in cruiser strength and returned from the United States with 'provisional and informal agreement' on the principles of a

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18 HMA Ships Huon, Parramatta, Swan, Torrens, Warrego and Yarra. These vessels were eighteen years old.
treaty for renunciation of war and parity in cruiser strengths. 19

From the time he came to power MacDonald overrode the Admiralty's minimum of 70 cruisers of both 6 and 8 inch gun types and accepted a maximum limit of 50 cruisers of both types. The Admiralty reluctantly agreed, though with serious qualifications. 20 On 25 July 1929 the CID discussed papers dealing with the new Government's policy on disarmament. However, it was a post decretum discussion as MacDonald had announced his policy on naval disarmament in the House of Commons the previous day. The CID meeting was called to 'communicate this statement to the Committee'. 21 In answer to a question from the Australian High Commissioner, Sir Granville Ryrie, MacDonald indicated that his announcement to Parliament had not been communicated beforehand to the Dominions but it soon would be and the views of the Dominion Prime Ministers sought. 22

19 CPP, 1929-31, Vol.II, p.1623 ff. Conference on the Limitation of Naval Armament Held at London, January to April 1930. Report of Australian Delegate (The Hon. J. F. Fenton). There is no clear evidence in Fenton's report as to whether he was an independent delegate or a member of the British Delegation. Other evidence indicates the latter was the case. The precedent of Washington and Geneva was adhered to and the London Naval Conference of 1930 was a five Power Conference. Fenton was a member of the British Empire Delegation (sometimes referred to as the British Commonwealth Delegation). See Roskill, Hankey, Vol. II, p.508ff.


21 Cab 2/5, 244th Meeting CID, 25 July 1929.

22 Ryrie's chief concern at the meeting was the future of the Singapore base. His attention was diverted from the reduction of the cruiser force by his relief at the 'definite statement made by the Prime Minister, especially after the various rumours he had heard that there was a possibility of the Singapore Base being abandoned'. ibid. Ryrie asked no question about the cruiser force. It was left to the New Zealand High Commissioner to stress that cruiser strength was a most important question for the Dominions in the Pacific.
Meetings between British and Dominion delegates began in December 1929 with the object of arriving at a common policy. The British Cabinet confirmed the policy which was to be followed by the British Empire Delegation at its first meeting in the new year. At one point during the Conference, Fenton was able to exert some influence. France and Italy were deadlocked on the question of parity and both insisted on being given greater guarantees of safety than existed in the Covenant of the League of Nations or the Locarno Pact. To have given the guarantees necessary to break the deadlock, the British Government would have been committed to increased responsibilities in Europe. Fenton informed MacDonald that the Australian Government could not support further guarantees. In the event MacDonald refused to give the guarantees sought. However, there is no evidence to suggest that Fenton's intervention on this point was decisive. In general, he had no more effective influence upon the London Naval Treaty of 1930 than Pearce had on the Washington Naval Treaty. Yet, the continued whittling down of British naval strength was placing Australian interests increasingly in jeopardy.

The direct results of the Conference in regard to the classes of ship possessed by the RAN was to divide cruisers into 8 inch and 6 inch gun classes and impose technical limits on both destroyers and submarines. Numbers in each class were also limited. Japan was granted parity in submarines with the United States and the British Empire.

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23 Cab 23/63, 1st Meeting Cabinet, 14 January 1930.

24 'He did not consider the Australian Government or the Australian people would view favourably any further pact, or interpretation of Article 16 of the League of Nations Covenant, which would involve the possibility of future armed intervention in European affairs.' Report, op. cit., p. 1633.

25 For the views of the Australian Naval Staff see CAO, MP1049, Series 5, item 1846/4/139. Kerr in his final report stressed the opinion already put forward by the Defence Committee that 'the present standard of Australia's naval strength bears little relation to the standard necessary to ensure a reasonable measure of security'. CAO, MP1049, Series 5, item 1668/2/79. 'Final Report of Vice Admiral Wm. Munro Kerr, CB, CBE', dated 19 October 1931.
The British Empire was to reduce destroyer tonnage from a total of 157,585 tons to 150,000 tons. The Empire was restricted to an upper limit of 52,700 tons in submarines compared with 45,534 tons possessed at December 1929. In cruisers the Empire was limited to a total of 146,800 tons in 8 inch gun cruisers and 192,200 tons in 6 inch gun cruisers compared with a total tonnage of 327,111 of both classes possessed in December 1929. The fact that the Empire was 11,889 tons short of the 1930 limit based on 50 cruisers, despite the Admiralty's longstanding advice that 70 cruisers was the minimum considered safe, serves to illustrate how far the RN was held below treaty maxima by economic constraints.

To return to Australia, a new round of reductions to the Estimates led Kerr to revise the Naval Staff's strategic assessment. This strategem was designed to aid his campaign against pro-rata reductions in the major components of the defence vote. On 6 March 1930 in the Defence Committee he presented a revision of his predecessor's assessment. He disputed suggestions that Singapore would not be complete and able to function, argued that Japan would only attack if Britain were entangled in a European conflict, but admitted that Japan would be Britain's principal naval enemy, ruled out invasion of Australia and stressed the need to protect trade routes. Kerr then used his appreciation to argue that there was less need for the Army and the Air Force and they should therefore bear the brunt of reductions. Chauvel was not prepared to accept Kerr's categorical assurance regarding Singapore and the sending of a British fleet, and a sub-committee was set up to assess the strategic appreciation. The sub-committee consisting of Colonel J. D. Lavarack, Group Captain Goble and Captain

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27 CAO, CRS A2031, Defence Committee, Minutes of Meeting 6 March 1930.
C. J. Pope, RAN, submitted two reports. One was a minority report by Pope.\textsuperscript{28}

The majority report rejected Britain's ability to send a fleet to Singapore and, prophetically, forecast that sea power would be divided, with the United States having undisputed control in the Eastern Pacific, Britain in the Atlantic and Indian Ocean, and Japan in the Western Pacific. The report forecast closure of the Suez Canal and ample time for Japan to attack Hong Kong and Singapore. Command in the waters to the North and East of Australia would probably be disputed initially and pass ultimately to Japan. Goble and Lavarack envisaged sea and air forces in cooperation being able to prevent an enemy crossing the sea but considered their 'combined cost is prohibitive'. Their alternative was mobile air and ground forces, the latter of which could exist in nucleus form in time of peace. They considered the protection of Australian trade, but felt that it would be impossible for an enemy to stop the whole of Australia's oceanic and coastal trade. They left the degree of economic dislocation to Australian trade which could be accepted an open question:

- The degree of economic pressure possible will depend on Australia's intrinsic power of economic endurance, and on the relation between the probable scales of attack and of resistance.\textsuperscript{29}

The assumption that combined naval and air protection was prohibitively expensive was a direct result of the current financial crisis. It would not always be so. By 1938 the Government was prepared to make sufficient money available for such a scheme but, by then, the equipment could not be produced within the time limits considered essential.

\textsuperscript{28} Pope, Capt. C. J., CBE, RAN, Born 1887, Tring, Herts, Eng.; Naval Cadet, HMS Britannia, 1902; first served in Australia as Midshipman, 1904-5; lent to RAN, 1914-19 and served in HMAS Sydney; transferred to RAN, 1919; commanded HMAS Albatross, 1931-33; Capt. Superintendent Sydney, 1933-36; HMAS Albatross, 1931-33; Capt. Superintendent Sydney, 1933-36; Capt. Sup. of Training, Flinders Naval Depot, 1936-39; Capt. Sup. of Training, Flinders Naval Depot, 1936-39; Capt. HMAS California, 1939-41; Promoted Commodore, 1941; C-in-C Darwin, 1942.

\textsuperscript{29} op. cit., Council of Defence, Minutes of Meeting 20 March 1930.
The ensuing debate in the Defence Committee was protracted and acrimonious. Kerr and Goble were particularly caustic to one another. At the meeting on 20 March 1930, Chauvel put forward the idea of reverting to a monetary contribution for naval defence as a catalyst to encourage debate on the best balance between Imperial and local defence. However, the suggestion did not overcome the effects of Kerr's attempt to limit Naval reductions at the expense of the other services which led to bitterness in relations between the services during the 1930s, especially between the Navy and Air Force. The Navy's strategic appreciation was suspected of being oriented to gaining Kerr's own tactical ends. It produced exaggerated claims in favour of Singapore which Navy and Empire proponents later felt obliged to support. Kerr's answer to the question of what would happen if Singapore were captured by Japan was to suppose a British fleet could operate from Australia. On the point of Britain's ability to send a fleet to the Far East, Kerr was adamant that a fleet would be sent.30

Reductions to the 1930/31 Estimates were considered by the ACNB in April 1930, as a result of the Government's instruction to cut 15½ per cent of the previous year's Estimates. Shore establishments were further reduced but the squadron was to be kept at sea and enabled to train in limited fashion.31

30 ibid., Minutes of Meeting 26 March 1930.

31 CAO, CRS A2585, Naval Board, Minutes of Meetings 2 April 1930 and 7 April 1930. The Board advised that Australia, Canberra and Albatross should be kept in commission at full complement and one 'S' class destroyer at reduced complement. The submarines were to be paid off into reserve, staff at Flinders was to be further reduced, training was to be reduced to the lowest level necessary to maintain the complements of the sea-going squadron, the staff at Navy Office was to be reduced as was the Naval Reserve. Reserves of imported stores were to be reduced to 12 months' supply but there was to be no reduction in the allowance of practice ammunition for the squadron and provision was to be made for keeping a squadron at sea at all costs.
For the first time during the crisis the ACNB began to dismiss RANC trained officers. In April the Naval Staff submitted a retrenchment scheme to the ACNB which was accepted and published as Navy Order 79/1930 on 20 May 1930. Applications for voluntary discharge were requested. At the same time the ACNB noted:

the Government have not yet notified what compensation, if any, can be paid to Officers discharged under the reduction scheme.

By 12 June, 700 had been reduced from Naval strength, consisting of five officers and 76 on loan from the RN, two officers and 380 men by voluntary discharge, 41 officers and 83 men by compulsory discharge and 13 officers and 100 men by normal wastage with recruiting suspended. The number of officers on loan from the RN was subject to special scrutiny by Labor back-benchers and the Minister noted that the reductions still left one Rear Admiral, four Captains, three Commanders, one Engineer Rear Admiral, 14 Warrant Officers and 86 Petty Officers and Ratings on loan from the RN. Recruiting for RANC was suspended and a quarter of the cadets at the College were discharged on or before completing their courses. It is convenient to note here

32 The scheme divided naval officers into four classes: A, Officers of undoubted ability who would be unquestionably recommended for promotion; B1, Average officers who were unlikely to obtain promotion but whose retention was desirable; B2, Average officers who would be of no particular loss to the service if reduced; and C, Officers below standard either in conduct, efficiency or physical condition. CAO, MP1049, Series 3, item 464/201/813.

33 ibid.

34 CPD, Vol.124, p.2667. The Minister emphasised that specialist Warrant Officers and Ratings were on loan for higher gunnery and torpedo responsibilities for which RAN personnel were not, at the time, available. 'Needless to say', he said, as soon as officers and men locally trained obtained the necessary experience and qualification loan personnel would be 'dispensed with' and RN personnel would serve in the RAN only in exchange positions. It is indicative of the suspicion of the RN among left wing interests that loan officers should be singled out for special scrutiny.
that the period for voluntary resignations was subsequently extended from 31 December 1930 to 30 June 1931 and later to 31 December 1931. It was not until 10 February 1932 that the ACNB could revert to normal procedures and end the voluntary retirement scheme.

Relations between the First Naval Member and the Minister deteriorated throughout 1930. The Navy lost Canberra’s proposed tour of exchange duty as a consequence. Green had approved the exchange in March 1931 on the understanding that the £10,600 which exchange would cost, over and above the normal running cost of the ship, would be spread over two years. In September the ACNB was informed that difference in exchange between the $A and the £stg. would raise the cost to £13,745 but the ACNB failed to advise the Minister. A question without notice in the House from Mr E. Riley was answered by Scullin, in the absence of Green, to the effect that the cost of the cruiser exchange would be £3,000. Green subsequently received a statement containing the revised estimate of £13,745 and as a result Cabinet cancelled the tour.

35 CAO, CRS A2585, Naval Board, Minutes of Meeting 10 February 1932.

36 CAO, MP1049, Series 5, item 2026/3/47. The cost was made up primarily by extra fuel and Suez Canal dues.

37 In an angry note to the ACNB Green requested an explanation as to:
the failure to advise me at the earliest possible moment that it was known that the exchange of the ‘Canberra’ would entail much increased cost.
He ordered that the £7,000 saved for each of two years by the cancellation of exchange duty be added to the other savings being made by the Defence Department. A.B. Green to Secretary, Naval Board, 6 October 1930, ibid. The ACNB replied that the answer to the Parliamentary question had been given without reference to the Board and that the increase over the figure of £10,600 originally submitted by the ACNB was considered small, particularly as the Board had funds to cover the increase. First Naval Member to Minister, 8 October 1930, ibid. It was with some embarrassment that the Director of Naval Accounts found that the original expense of £7,000 per annum. The Finance and Civil Member noted that, as the Treasury had already been advised, the matter would have to be left as it was. The ACNB concurred. Director of Naval Accounts to Civil and Finance Member, 31 October 1930. ibid.
By the time the Imperial Conference met on 1 October 1930, some seven months after the Naval Conference, the Scullin Government had been in office for almost twelve months. Its reputation in both the RAN and the RN had not been helped by Scullin's silence at MacDonald's slowing down of the Singapore base. In this matter the Australian Government was contrasted unfavourably with the New Zealand Government which had protested vigorously. A modicum of unease could be expected from the RAN about any Australian Government which cut naval votes, no matter how dire the economic circumstances might be. However, the continued hostility of Labor back-benchers toward the RN created an attitude of suspicion in the service toward the Scullin Government from the beginning of its term of office. Conservative service reaction to a Labor Government undoubtedly affected the Admiralty's view and, together with the long-standing concern at what the Admiralty regarded as undue intervention of Australian political leaders in service matters, formed a background against which three particular issues were resolved.

Rumours persisted during 1930 that the Scullin Government was considering scrapping the RAN and reverting to a monetary contribution. The Admiralty Staff received a cutting from the Melbourne Herald of 7 April 1930 noting that RAN shore establishments were out of proportion to the sea-going fleet and the Government hoped to reduce them. The Admiralty also received a copy of the Report of the Inspector General of the Australian Military Forces, Lieutenant General Sir Harry Chauvel, dated 15 April 1930, which argued for a reversion to the contribution scheme of 1902. A personal letter of 28 March 1930 from Kerr to the First Sea Lord, Admiral of the Fleet Sir Charles Madden, noted that a monetary contribution was:

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38 CAO, A981, item 32/1/13, 'New Zealand Relations with Britain'.
being discussed by the Prime Minister, Treasurer and other Cabinet Ministers, the idea having been put to them by the Secretary of the Defence Department. 39

It is interesting to note in passing how Kerr's letter illustrates the private channel of naval communication between Melbourne and Whitehall. It also illustrates the way in which Kerr, at least in his private thoughts, saw the RAN as a squadron of the RN. 40 At the Admiralty, the Director of Plans found it inconceivable that a contribution scheme could last, given the reasons for an independent Navy which prevailed in the past, a view with which the Secretary of the Board of Admiralty, Sir Oswyn Murray, concurred. The Director of Naval Intelligence at Navy Office, Captain Pope, wrote to his Admiralty counterpart in September attributing Chauvel's comments to an attempt to increase the Army Estimates, noting little support in

39 First Naval Member to First Sea Lord, 28 March 1930. Adm 1/8743/109. It seems possible that the idea was given impetus by F. G. Shedden of the Defence Department. A clearer indication may be given when the Shedden papers are released. However, correspondence in the Richmond papers includes a letter from Shedden of 24 April 1930 in which he requests information as to the likelihood of RN ships being sent to the Far East and notes that his 'paper' is being argued about. Previously on 25 February 1929 he had written of 'writing a paper to change the Minister's mind' by a good presentation of the case for Imperial defence which will result in a re-examination by a body such as yourself and an army and an air force officer...' F. G. Shedden to Admiral Sir Herbert Richmond. Richmond Papers, RIC/7/4, NMM. Richmond was Commandant of the Imperial Defence College when Shedden studied there in 1928. Shedden corresponded frequently with Richmond thereafter. Shedden was at the time known as an Empire loyalist. A monetary contribution to a unified navy under Admiralty command would not have been inconsistent with what is known of Shedden's views.

40 'I imagine the Admiralty would take it on provided the monetary contribution was considered sufficient.

At present the Admiralty have no control over the Australian Navy in peace and their control in war depends upon the consent of the Australian Government. The Australian Navy may be reduced practically out of existence in which case the Home Government would have to bear the burden of the ships which should be maintained by Australia. A definite guaranteed money contribution would be preferable to the indefinite and dangerous system at present in force. The Government already talk about another big cut the following year'. Adm 1/8743/109. The emphasis is in the original.
Australia for the idea, and emphasising that Green had formally dissociated the Government from the proposals. Nonetheless, what might have otherwise been only a fruitless alarum coincided with other factors to change the RAN's role during the 1930s and directly affect Australian naval policy during World War II.

The extent of the financial restrictions imposed upon the RAN and the small number of ships left in commission greatly concerned the Admiralty. The retiring First Sea Lord, in a Memorandum dated June 1930, written to reassess the Dominion fleet concept as a result of the London Naval Conference, noted the emphasis on the principle of equal status of the Dominions and the previous policy of encouraging the Dominions to build vessels of all classes in order to take financial pressure off the Admiralty. Recent events had seriously increased existing fears that the Admiralty might not be given control of them. Already the Australian Government had paid vessels off into reserve without consultation. The First Sea Lord thus considered the likelihood that Australia might not release its remaining ships at the outbreak of war until its coasts were secure. To illustrate his point, he repeated the current erroneous belief that in 1914 the Australian Government had not released its Fleet until Von Spee had left the Pacific. His conclusion was that at the outbreak of war only the RN could be relied upon to receive the first shock, with Dominion fleets forming a reserve which might not be available until later in a war. He thus wished to press the British Government to safeguard the Admiralty position at the coming Imperial Conference and also to press at the next Naval Conference for an allowance to the Empire on account of the dispersion of its fleet. It became clear from later events that safeguarding the Admiralty position meant Britain gaining as much control as possible over those classes of vessels in which the British Empire was limited by the naval treaties.42

41 DNI Navy Office to DNI Admiralty, 8 September 1930, ibid.

42 Adm 1/8744/125.
Australia for the idea, and emphasising that Green had formally dissociated the Government from the proposals. Nonetheless, what might have otherwise been only a fruitless alarum coincided with other factors to change the RAN's role during the 1930s and directly affect Australian naval policy during World War II.

The extent of the financial restrictions imposed upon the RAN and the small number of ships left in commission greatly concerned the Admiralty. The retiring First Sea Lord, in a Memorandum dated June 1930, written to reassess the Dominion fleet concept as a result of the London Naval Conference, noted the emphasis on the principle of equal status of the Dominions and the previous policy of encouraging the Dominions to build vessels of all classes in order to take financial pressure off the Admiralty. Recent events had seriously increased existing fears that the Admiralty might not be given control of them. Already the Australian Government had paid vessels off into reserve without consultation. The First Sea Lord thus considered the likelihood that Australia might not release its remaining ships at the outbreak of war until its coasts were secure. To illustrate his point, he repeated the current erroneous belief that in 1914 the Australian Government had not released its Fleet until Von Spee had left the Pacific. His conclusion was that at the outbreak of war only the RN could be relied upon to receive the first shock, with Dominion fleets forming a reserve which might not be available until later in a war. He thus wished to press the British Government to safeguard the Admiralty position at the coming Imperial Conference and also to press at the next Naval Conference for an allowance to the Empire on account of the dispersion of its fleet. It became clear from later events that safeguarding the Admiralty position meant Britain gaining as much control as possible over those classes of vessels in which the British Empire was limited by the naval treaties.

41 DNI Navy Office to DNI Admiralty, 8 September 1930, ibid.
42 ADM 1/8744/125.
The consequence of this change of policy at the Admiralty became obvious during the 1930 Imperial Conference in the Committee of Experts of the Fighting Services, which consisted of Dominion and Admiralty naval delegates. The Committee met to consider Empire naval policy as a result of the London Naval Conference. The new First Sea Lord, Admiral Sir Frederick Field, impressed upon the meeting the burden which the RN bore and hoped that the Dominions would be able to increase their naval spending. He then emphasised that, with an Empire quota, construction by one Dominion reduced the numbers of ships of that category which the other members of the Empire could build. His remarks were applied especially to destroyers which the RN needed for fleet and flotilla work. Treaty limitations also led Field to wish to control the quota of submarines. Field argued that submarines were meant for long-range reconnaissance and trade-destruction, and were not suitable for local defence, which overlooked the point of the 1923 advice that the Australian boats should be long-range types. In recommending that destroyers and submarines should not be built by the Dominions, Field was diminishing significantly the RAN's ability to harass enemy forces attacking Singapore.

It would seem that by this time the Admiralty had altered their concept of the RAN's role and limited it

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43 Adm 116/2788.

Some Dominions were in possession of destroyers and might desire to build additional ones, but he pointed out that these craft were principally required for fleet and flotilla work, their primary use being to attack the enemy fleet. It was true that some older destroyers would have to be used for escort work, but in view of the limited number of those vessels which under the London Naval Treaty we could possess, it was of great importance that the best use be made of every one of them, and this could only be achieved if they were maintained with the main fleet itself.

Financial restrictions prevented the Admiralty from keeping all its older destroyers in commission and led to the RAN being able to borrow a flotilla of 'y' and 'w' class destroyers in 1934.
to local defence and trade protection. Field recommended cruisers and sloops as the best types of vessels for the Dominions to build. The sloops, he claimed, could do the job of cruisers in peace and could be employed as an anti-submarine escort in war. Sloops were not limited by treaty and Field was fairly safe in recommending cruisers, as at over £2 million per unit not many would be built by the Dominions. Field urged the RAN to build a new cruiser to replace Brisbane. Presumably, as the RAN was likely to remain a cruiser force, it was in Field's interest to keep it as efficient as possible and the Admiralty knew they could not build up to treaty limits in the immediate future themselves. However, it is noteworthy that detailed advice from the Admiralty was for a 6 inch gun cruiser to replace Brisbane. The Admiralty were jealous in guarding the small number of 8 inch gun cruisers allowed them.

The combination of treaty limitation on Empire forces and the severe naval reductions in Australia caused the Admiralty to treat the RAN once again with reserve at the higher levels of policy. Despite the Admiralty's new desire to retain control of the Empire's submarines, the Australian Government's return of the boats to Britain was seen by the Admiralty as a flagrant example of Australia 'using' the British protection. After examining Kerr's exploratory proposals of December 1929, the Admiralty

44 I have not been able to trace documentary evidence to show the process by which the Admiralty's concept changed in more detail. The advice given to the Australian Government in 1923 regarding the RAN's role has been noted above, particularly its responsibility to join in harassing enemy attacks on Singapore and the development of the support facility at Darwin for that purpose. As will be shown below, the RAN had been explicitly excluded from that role by 1935. The material cited in this chapter is the most explicit evidence of change in the interim. The coinciding of severe evidence of change with extended quotas for the Empire's naval forces with the reduction of the RAN to a point from which it was only capable of partial protection of the Australia Station is good reason to consider that the change of role dates from 1930.

45 The RAN possessed two of the Empire's quota of fifteen 8 inch gun cruisers and was thus a significant cruiser unit.
indicated that, if they did decide to accept the submarines as a free gift, they would only do so if the boats were kept in commission. The two submarines were, however, de-commissioned in May 1930. When the Board of Admiralty considered the matter again in October 1930, it was decided to agree to the arrangement, partly on the grounds that the previous Admiralty recommendation to build the submarines 'was perhaps not well advised'. However, the Board warned:

it was undesirable to give the Dominions the impression that they could, when it suited them, throw back onto this country the Naval responsibilities which they had deliberately undertaken.  

The Admiralty attempted unsuccessfully to extract a promise from the Australian Government to lay down a cruiser to replace Brisbane in 1933 in return for their accepting back the submarines.

The plenary sessions of the 1930 Imperial Conference made little contribution to naval policy. The Conference was divided into two sections: General and Economic. The latter section contained too many issues to be solved at one conference and led to the Ottawa Conference in 1932. The former section was deeply involved in discussing what eventually became the Statute of Westminster.

Evidence of the Scullin Government's economic plight and the extent to which they were prepared to throw defence responsibility back onto the British Government is afforded

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46 Adm 167/81, Board of Admiralty, Minutes of Meeting 7 October 1930. The First Naval Member had voiced similar sentiments before the Defence Committee earlier in the year. He said: 'If the Royal Australian Navy were reduced, Australia would be living on charity for its naval defence, and equal to the proportion which should be provided as cruisers, equal to the proportion which should be provided by the Royal Australian Navy, would have to be furnished by someone else. That 'someone else' could only be the RN, someone else'. That 'someone else' could only be the RN, someone else'.

47 Australian records of the 1930 Imperial Conference are held in CAO, A981, items Imperial Conference 124 to Imperial Conference 132.
by the cuts in the salaries of RN officers on loan. This was effected through the Income Tax Salaries Act of 1930 which taxed all Commonwealth officers on a scale ranging up to 15 per cent on salaries over £1,544. Scullin cabled from London in December 1930 that he had been advised that there would be great difficulty in obtaining British naval officers to serve in Australia as a result of effective salaries in Australia falling below the British rates. J. A. Lyons, as Acting Treasurer, refused to reopen the question 'as Cabinet has on several occasions considered' it, and the impasse was left in the lap of the First Lord, A. V. Alexander. On 9 July 1931, Ryrie reported that Alexander had been able to persuade the British Treasury to agree to RN officers on exchange in Australia being paid by the Admiralty and RN officers on loan to Australia to have their reduced Australian salaries made up to British rates by the British Government provided there was not a drastic rise in the cost of living in Australia. The arrangement would apply for three years. In his covering letter, Ryrie wrote:

Mr Alexander stated that, whilst the Admiralty were anxious to afford us any help possible in our present difficulties...he was concerned as to how far they could go as, in fact, he has to struggle to get sufficient money as it is to meet Admiralty's standing commitments.

Also, whilst not unmindful of your difficulties, he expressed the hope that, in considering any further retrenchments in the RAN, nothing should be done to render the Australian Fleet an ineffective Force, the matter, he added, being of mutual concern as the Navy is regarded on the basis of an Empire Unit.

48 CPD, Vol.127, p.1061. The bill was introduced and passed without debate and was certainly not specifically aimed at RN officers on loan.

49 CAO, A1606, item N 15/1, Scullin to Fenton, 2 Dec. 1930.

In Australia, the Scullin Government's naval policy earned the forthright criticism of Rear Admiral Evans. Evans was an officer held in high esteem at the Admiralty and was of independent means. An energetic and forceful character, he was not inhibited by any need to please the Australian Government. He was much sought after as a public speaker and his indiscretions in favour of a stronger Australian Navy found their way into the press on several occasions, to the embarrassment of the Government. Partly as a result of Evans' activity, but also no doubt stimulated by the widespread service disenchantment with the severity of defence cuts, the Scullin Government issued instructions to the services that public criticism of the Government was to cease.\(^5\)

Vice Admiral Kerr, who retired as First Naval Member two and a half months before the Scullin Government fell in January 1932, outlined his own concern for the RAN in a twelve page final report. He strongly urged that the squadron not be allowed to fall below its current low strength and that a third cruiser be commissioned, followed by construction of a cruiser plus several sloops. He admitted that destroyers were useful in Australian waters but suggested that existing destroyers be replaced with destroyers lent by the RN. He hoped an exchange of cruisers and cooperation with New Zealand would be renewed. He outlined the shortcomings in the provision of oil fuel reserves (14 per cent of the Australian quota) that was in storage for Empire defence, wished to see the surveying service recommenced, and urged that more modern aircraft be provided for Albatross. While commenting on the Naval Treaty, he was able to make the point that, as Australia possessed some of the ships limited by the Treaty, Australia had an obligation to maintain them at full efficiency.

\(^5\) Feakes, White Ensign, p.216. CAO, CRS A2031, Defence Committee, Minutes of Meeting 5 December 1929.
Implicit in Kerr's assessment of equipment was the revised assumption that the RAN's primary task was defence of Imperial trade. 52

The Scullin Government does not appear to have deliberately set out to initiate a change in Australia's strategic responsibilities within the Empire; however, reduction of Australian naval capacity had precisely that effect. It is not clear at what point the Admiralty ceased to include the RAN within the forces having the primary responsibility for harassing an enemy attack on Singapore prior to the arrival of a British fleet. Nor is it clear whether the amendment of the RAN's role was a result of the financial cuts of the depression which reduced the RAN's capacity or of the Admiralty's concern that an Australian Government might not transfer control of the service immediately war was declared. In all probability it was an amalgam of both factors. However, by 1934, the War Memorandum (Eastern) prepared by the C's in C Conference at Singapore formally stated the object of HMA Naval Forces as The Defence of Trade in Australian Waters. 53 The reduction of the RAN's strategic role will be discussed at a later stage. While there is considerable ground for debate regarding the economic and social pressures faced by both the Scullin and Lyons Governments, as well as the different situations which pertained between Australia and Britain, it

52 CAO, M1049, Series 5, item 1968/2/79, dated 19 October 1931.

53 CAO, M1049, Series 5, item 2028/2/333. The emphasis is in the original.
is significant that naval expenditure in Australia was reduced proportionately further than in Britain. The Australian belief in ultimate protection by the RN was a major factor in making the Australian reduction possible. 54

54 Notwithstanding earlier comments regarding Kerr's priorities, events were to bear out his pessimism that the RAN would be rejuvenated at an early date. A later CNS, trying to talk the Admiralty into persuading Australia to buy a capital ship, emphasised the lack of appreciation in Australia of the naval expenditure being borne by Britain in defence of the Empire, saying: 'Offer if made should emphasize financial burden of Great Britain which is not fully realised here.' Colvin to Backhouse, 14 March 1939. Kerr's measures kept a skeleton cruiser squadron in commission and allowed the RAN to continue training as a unit throughout the 1930s.
CHAPTER NINE

REARMAMENT DELAYED: CHANGING STRATEGIC ENVIRONMENT
AND NAVAL POLICY, 1932 TO 1936.

The depression had produced a distinct change in Australian naval policy as well as Australian attitudes in general toward the Empire. The growth during the 1920s of an independent Australian stance within the Empire, though admittedly conservative in comparison with Canada or South Africa, reached its climax with the passing of the Statute of Westminster in 1931. Even as that measure was enacted, the economic crisis was producing in Australia a sense of disenchantment and distrust of Britain which was to grow during the early 1930s. At the same time the depression shattered confidence and sapped the resources which might have continued the growth of a more distinctive Australian stance. The fact that the Statute of Westminster was not ratified by Australia until 1942 is clear indication of the arrested development of Australian independence within the Empire relationship.

The period between the easing of the depression and the German re-militarization of the Rhineland was, for British political leaders, one in which cherished hopes of disarmament and a stable European system were reluctantly set aside. Aided by a steadily improving economy, service and other advisers in Britain were able to overcome entrenched political philosophies and begin the restoration
of defence forces commensurate with British commitments. However, the extent to which the armed services had been cut, together with the depth of popular belief in disarmament, resulted in delays to rearmament which were, in turn, to hamper the development of sufficient resources to defend Far Eastern interests in 1942. Meanwhile, Australian political leaders remained preoccupied with economic recovery. British advice upon which they relied for their perceptions of the international situation was qualified by the exigencies of domestic politics in Britain. Pressure from public sources and the services for a reassessment of defence policy moved in advance of the Government. Australian rearmament was delayed two years longer than that in Britain, leaving consequently less time to make up the leeway.

The Manchurian crisis of late 1931 had little immediate effect upon British and Australian leaders. The League of Nations was powerless to act effectively. Britain held the key position in the League, being the only naval power with bases close enough to Japan to impose military force. Yet, when the Mukden incident occurred on 18 September, a new National Government in Britain was in the process of taking office, the Invergordon mutiny had just occurred, Britain was preparing to go off the gold standard on 21 September and a general election had been scheduled for 27 October. What little support there was in the British Government for active intervention against Japan was limited by the attitude of the United States Government, for, without American support, League sanctions would have been futile. The United States Government was opposed to military or economic measures because of the lack of United States bases closer to Japan than Hawaii, because sanctions would have affected the American economy more than the Japanese, and because 1932 was a Presidential election year. Thus, in the crucial period between September and December 1931 resolute action against Japan was not forthcoming. In Australia, public opinion was also preoccupied with domestic matters. Mild alarm was registered at the Japanese occupation but the
economic crisis and looming federal elections on 19 December 1931 claimed public and political attention. 1

In the longer term the situation in the Far East helped to make 1932 a turning point for the British Chiefs of Staff. The Disarmament Conference at Geneva failed to reach accord at its initial meetings in February. Although its meetings continued until 1934 the fundamental suspicion between France and Germany, manifested from the start of the Conference, made it plain that disarmament under the auspices of the League would be no speedy process. 2 In March 1932, after the height of the Manchurian crisis had passed, the British Cabinet accepted a CID recommendation that the 10 year rule should be terminated. 3 In October a CID recommendation for immediate resumption of work upon the base at Singapore was accepted in principle by Cabinet. 4 In December the First Sea Lord, his retirement impending, gained a hearing when he set out his views of British naval strength with 'grave disquietude'. 5 He traced the steady decline of naval expenditure and emphasised that the fleet was well below treaty limits. The British decline in global tonnage had been 42 per cent since 1914, and 51.1 per cent since 1918, compared with an American increase of 36.6 per cent since 1914 and 9.5 per cent since 1918, and a Japanese increase of 54.6 per cent and 22.1 per cent respectively. In the same period the French Navy had declined by 33.3 per

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3 Cab 23/70, 19th Meeting Cabinet, 23 March 1932.

4 Cab 23/70, 52nd Meeting Cabinet, 11 October 1932.

5 On every occasion (since the war) that the sketch estimates have been presented to the Treasury they have been whittled down by the specious promise that certain items must be deferred for consideration next year. ''Next year'' never comes and the inevitable result is that the Navy loses ground year by year... Field saw the situation stemming from four causes: financial stringency; utilization of accumulated war reserves; international treaties on limitation of naval armaments; and the effects of the 10 year rule. Amd 167/85, Board of Admiralty, Minutes of Meeting 7 December 1932.
cent and 26 per cent respectively, although this was partly offset by 98,875 tons of submarines built by 1932. Field estimated that proper maintenance and the building up of reserves would cost £28,377,500, while new construction to bring the RN to maximum treaty limits would cost, over ten years, £132,400,000 (£64,900,000 more than was currently being budgeted for at 1932 prices). The argument carried weight. In April 1933 the Cabinet accepted specific proposals from the CID for acceleration of work at Singapore.

The change in British policy, however, was slow and disjointed. It was not until the general election of November 1935 had given Baldwin a mandate for improving Britain's defences that the Government felt able to pursue rearmament openly and positively. Throughout 1932 and 1933 Macdonald continued to put his faith in diplomacy by conference and, while agreeing in principle with his Chiefs of Staff, limited any increase of expenditure on defence. There was a gap of twenty months between the termination of the 10 year rule and the beginning of the rearmament programme in November 1933. In that month the CID discussed Imperial Defence Policy in the light of the termination of the 10 year rule and recommended that a programme should be prepared 'for meeting our worst deficiencies'. Cabinet agreed to the proposal and ordered that a technical committee be set up to study the deficiencies. Its findings would be studied by a ministerial committee to

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6 RN estimates in 1925 were given as £60,500,000 and for 1932, £50,476,300 - a decrease of almost £10 million in eight years. If 1932 estimates were converted to 1914 value, Field claimed, they were just over half the 1914 estimates. Ibid.

7 Cab 23/75, 13th Meeting Cabinet, 12 April 1933.

8 This time-lag was the subject of a heated exchange between Ismay and Hankey in the correspondence columns of The Times in November 1948. See also Roskill, Naval Policy, p.586. British Naval expenditure did not increase until the financial year 1933/34.

9 Cab 2/6, 261st Meeting CID, 9 November 1933.
assess their political consequences. Meanwhile the Government refused to espouse serious rearmament and remained committed to the 'Truce' on arms expansion called for by the extant Disarmament Conference.

Uncertainty was the keynote of the international situation with which MacDonald and other leaders were faced in the early 1930s. Clear lines of development were difficult to see without being either alarmist or unduly optimistic. Against this background appeasement was not unreasonable. It had a rationale which was both historical and coherent. Built up, as it was, upon an optimistic view of human nature, appeasement was a strong influence in British politics in the inter-war period. Men, such as Sir Robert Vansittart, who doubted the efficacy of appeasement in the early 1930s were often viewed with disfavour. German collapse during the depression and the subsequent rise of Hitler indicated that all was not well with Germany, but inevitable war was a forecast which received little support. There was considerable sympathy for Germany in Britain. The notion of cultural affinity, the belief in a shared responsibility for World War I, the severity of the Versailles Treaty and the desire to avoid being used by France as a pawn in French policy gave considerable weight to the pro-German views of men such as Lord Lothian and Geoffrey Dawson, editor of The Times. There was no shortage of views and information pressed upon the Government for and against a policy of appeasement toward

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10 Cab 23/77, 62nd Meeting Cabinet, 15 November 1933. This became the Sub-Committee on Defence Requirements; a sub-committee of the CID.

11 See M. Gilbert, The Roots of Appeasement, 1966, for an entree into the appeasement debate. This work follows Gilbert's previous work (M. Gilbert and R. Gott, The Appeasers, 1963), which traces the history of appeasement from the beginning of the twentieth century and examines its rationale. When the term 'appeasement' is used in this thesis, I have endeavoured to avoid the pejorative connotations with which the term has been invested since World War II.

12 Vansittart became Permanent Under Secretary of State for Foreign Affairs in 1930.
Germany. It was not surprising that Ramsay MacDonald, who had remained aloof during World War I in order to view the post-war world dispassionately, would favour a conciliatory policy.

In Australia the depression had been a shattering and indelible experience which affected attitudes toward public spending for the remainder of the decade. One school of thought exists which argues that Australian recovery was rapid by world standards and that the economy developed an increasing sophistication during the 1930s, especially in secondary industry.\(^\text{13}\) While that is a subject of debate, the relevant point is that the general spirit of optimism prevalent in the 1920s had diminished, the Australian Government sought Imperial preference rather than Dominion independence and the restoration of the RAN to pre-depression levels was a protracted process. A primary restraint to rearmament in Australia in the early 1930s was the preoccupation of the Lyons Government with reducing taxation and balancing the budget.

The Lyons Government was not unaware of the British Government's cancellation of the 10 year rule in March 1932. Bruce, in London as High Commissioner, continued to enjoy the same access to Cabinet information, per favour of Hankey, as Casey had enjoyed. However, as Casey in his time was shown material which was not to be transmitted to the Australian Government, no doubt Bruce was in the same situation.\(^\text{14}\) While kept generally well informed by Bruce, who had considerable prestige in London and many confidential sources of information open to him, the Lyons Government was insulated from the unexpurgated views of defence and

\(^\text{13}\) See R. Cotter, 'War, Boom and Depression', in J. Griffin (ed.), Essais in Economic History of Australia, 1788-1939, for a survey of recent economic research in Australia relating to the period.

\(^\text{14}\) On Baldwin's instructions Casey saw all CID Papers 'but was only allowed to send a proportion to the Australian Prime Minister'. Roskill, Hankey, Vol.II, p.480.
other advisers in Whitehall. The 'tyranny of distance' and lack of detail operated to mask the urgency of the situation from the Lyons Government. One example will serve to illustrate the insulating process.

The report of the Sub-Committee on Defence Requirements (CID Paper 1147-B), which outlined the likelihood of a European war by 1939 and the strengths and weaknesses of British preparations to meet such a war, was not shown to the Australian Government. Bruce was 'given verbally an outline of the steps it was proposed to take to meet our defence requirements'. Viscount Monsell, then First Lord of the Admiralty, remarked in the CID that it might be necessary at some point to give [the Dominions] the papers but that it was very undesirable to do so at present.

The British Government was afraid that the report might give the impression that the Government was downgrading the RN in favour of the RAF. One of the purposes of Hankey's tour was to discuss the report personally with Dominion Prime Ministers. He was to have taken copies with him; however, it was later decided to withhold them. The British Government's desire to avoid giving cause for complaint to the Dominions was understandable but not very courageous in the circumstances. The process of informing the Australian Government verbally of the outline of the situation via Bruce and Hankey could not be a satisfactory method of conveying the necessary detail, and did indeed

15 Lord Garner, who was private secretary to Malcolm MacDonald in 1940-41, testified to the wide range of people in Britain who took Bruce into their confidence. Interview with Lord Garner, 6 March 1974.

16 Cab 2/6, 266th Meeting CID, 22 November 1934. The report was also labelled CP205 (34).

17 Cab 23/79, 31st Meeting Cabinet, 31 July 1934. The decision to withhold the report appears to have been made informally. On his return Hankey reported to Cabinet that he had discussed the report verbally with each of the Dominion Prime Ministers and Cabinet decided to continue to withhold issue of the report to the Dominions. Cab 23/81, 4th Meeting Cabinet, 16 January 1935.
fail to convey in the Antipodes the sense of urgency which was felt by the Chiefs of Staff in Whitehall.

In this respect neither exchange officers nor loan officers on the ACNB contributed toward changing the climate of Australian opinion. The delicacy which the British Cabinet was having to exercise in educating its own electorate towards rearmament mitigated against allowing the Chiefs of Staff to make the perils of the situation known even within their services. Thus RN officers who arrived to serve in Australia in the early and mid-1930s were not greatly imbued with a sense of urgency, though not unaware of the need for rearmament. RAN officers on exchange service with the Admiralty staff had not developed into a source of inside information on the Admiralty for the Navy Office, as it had been intended they should, largely because the RAN and the RN were not viewed from within the Navy as separate services.

Hankey's visit to Australia in October and November 1934 failed to stir the same concern for defence in Canberra as was privately felt in Whitehall. Details of the tour are examined elsewhere. 18 It will be sufficient to note here that his style and ostensible reasons for being in Australia (he was supposed to be on a holiday to witness the Melbourne centenary celebrations) prevented his instigating a public debate on defence, and the political turmoil during his presence in Australia mitigated against his provoking a thoroughgoing consideration of defence among political leaders. The most significant result of his tour was his own report 19 on Australian defence which was examined in the Defence Committee and was the subject of considerable disagreement by the Army and Air Force.

18 McCarthy, 'Air Power', pp. 85-89. Roskill will no doubt deal with the event in Hankey, Vol.III, when that is published.

Hankey admitted the current weaknesses in British strength in the Far East but was confident the rearmament then under way would overcome that. He based his confidence on the 'immense' British interests in the Far East. His emphasis was on cooperation in Empire defence and the 'mere raid' proponents were his chief target.

The Chief of the General Staff, Major General J. H. Bruche, tabled his views on the report in the Defence Committee on 5 March 1935. Discussion ensued then and was continued on 21 March 1935. 20 Papers were also tabled by the Chief of the General Staff designate, Colonel J. D. Lavarack, and the Chief of the Naval Staff, Vice Admiral Hyde. The Army position was to admit ultimate dependence upon British protection. However, both Bruche and Lavarack emphasised that Hankey naturally viewed the Far East from the British perspective and that Australia's local defence should not rest as heavily as it did upon the movement of a British fleet. Both desired greater Australian self-reliance in defence. However, their means of attaining that was to rely on 'Land and Air Forces'. 21 Hyde stressed contribution to Empire naval strength and the debate followed the same, well-worn path of previous inter-war discussions. Neither side was able to perceive that forward defence by strong maritime forces would ensure greater Australian self-reliance, contribute to Empire defence and meet the problem of raids on Australian territory.

The public defence debate in Australia did little to offset the limitations and bias of British information. During the early 1930s the tempo of debate increased and organizations such as the Citizens' National Defence

20 ibid., Minutes of Meetings 5 March 1935 and 21 March 1935.
21 Bruche, op. cit., p.8.
Committee, formed in Sydney in 1933, began to appear. However, the extent and quality of the debate still left much to be desired. Details of the debate are examined elsewhere. It is significant for a study of naval policy to note two characteristics of the debate. Firstly, the debate occurred amongst a public largely unsophisticated in defence and strategic matters. The proponents of rearmament were collected into two almost exclusive groups, viz., senior serving officers caught up in the politics of interservice rivalry and ex-servicemen who were concerned but not greatly informed. In either case, the numbers involved were small. Secondly, the debate was conducted largely in terms of the worst possible case, viz., the fall of Singapore and Japanese invasion of Australian sovereign territory. The two were usually considered to be synonymous. The tendency of the political parties of the 1920s to argue in terms of extremes was thus continued and debate turned upon each protagonist's disposition for or against Singapore. The consensus on both sides was that Australia must rearm. The most vexing problem was the relative emphasis to be given to each service.

The Labor Party had little place in this debate as a coherent group. Pacifist elements in the Party had considerable support in the early 1930s, especially while the Disarmament Conference was sitting. As the prospects

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22 P. Hasluck, *The Government and the People, 1939-1941*, p.43. So far as I have been able to gather, the United Services Institutes which existed in each State resembled their British namesake in name only. The Australian bodies, although possessing some good library collections, were more gentlemen's clubs than centres of debate and controversy. In any case they tended to be dominated by ex-Army officers and be conservative in their views. The various United Services Institute journals relied heavily upon reprints from the Journal of the Royal United Services Institute for their serious articles.

for peace receded during the decade, the pacifist element was reduced to emotive arguments in support of its position. The Party's lack of expertise and coherence on defence in the 1920s and its performance in office during the depression left it in a weak position in regard to defence matters. Members' positions on defence remained *ad hoc* until the Federal Conference in Adelaide in 1936. That Conference began a period where the Party's defence policy was given some attention, but it was not until 1941 that a significant degree of unanimity emerged.  

There were many reasons for the unsophisticated nature of the defence debate in Australia. Not the least of those reasons was the lack of an Australian maritime tradition and the lack of retired senior officers to act as elder statesmen or to engender informed debate. The youthfulness of the RAN was not a wholly valid excuse. Since its inception the RAN had offered very little encouragement to its officers to give considered thought to policy matters. Feakes' work stands alone as a published naval contribution to the defence policy debate. His experience and advice gained from extensive travels in Europe in the early 1930s was shunned by the Defence Department.  

It is not possible to know if RAN officers contributed to the *Naval Review* as contributions to that journal were anonymous. However, the point stands that analysis and criticism of Imperial policy outside the Naval Staff and Staff Colleges were not encouraged. Within the

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25 Feakes, *White Ensign*, p. 224. His ideas were incorporated in an article: 'Australia's Part in Naval Defence', *Journal of the Royal United Services Institution*, Vol. LXXXV, February 1930. This comment is made with Macandie's work *Genesis of the Royal Australian Navy*, 1923). It is in mind (as Luck Would Have It, 1965) is strictly an account of personal experiences which is concerned to avoid controversial issues; see p. vii.
Universities, small Departments of History were the focal points for studies of international affairs, but many of those holding academic positions were British and most had gained postgraduate degrees in Britain. Strategic Studies did not exist as a discipline, and there were few other organizations with an interest in naval policy. The RANC produced students up to Leaving Certificate standard. The teaching and writing of naval history, such as there was, tended to concentrate upon relating deeds of valour.  

The ACNB attempted to censor the naval volume of *Official History of Australia in the War of 1914-18* to delete criticism of policy or administration. In June 1921 the General Editor, C. E. W. Bean, was corresponding with the Department of the Navy complaining of the censorship imposed and the delays in providing records of the Atlantic campaigns. A draft of Jose's work was examined by the Naval Staff. Objections were raised that 'policy regarding naval operations' was criticised on what the ACNB regarded as 'incomplete knowledge of the facts and of the facts available at the time', conclusions were diametrically opposed to those held by officers well qualified to judge, and portions of the text 'would certainly cause irritation to foreign Powers and would in all probability lead to diplomatic action'. Quite apart from the fact that part

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26 It was not until 1971 that students at the RANC had the opportunity of gaining a University education under an arrangement with the University of New South Wales. For an examination of scholarship and strategic thought in the RN see D. M. Schurman, *The Education of a Navy: The Development of British Naval Strategic Thought, 1867-1914*, 1965. This work, in fact, goes beyond 1914 and includes a chapter on Admiral Sir Herbert Richmond and Sir Julian Corbett.

27 C.E.W. Bean to Captain A.M.Treacy, 13 June 1921, CAO, MP472, item 2/21/9045. Bean's agreement with W. M. Hughes when he accepted the appointment as General Editor was for no censorship at all. At the request of the ACNB, the naval volume was excepted from the agreement in regard to technical secrets and matters relating to tactics.

28 Acting First Naval Member to the Minister, 11 August 1921. The documents needed by Jose would have been available at the Admiralty as the official historian of the RN, Sir Julian Corbett, had completed his work by August 1919.
of Jose's 'incomplete knowledge of the facts' lay with the ACNB's failure to obtain the necessary records from the Admiralty, the Acting First Naval Member, Commodore C. T. Hardy, RN, was plainly unsympathetic to the official historian. In his comments to the Minister he contrasted Jose's draft with Corbett's already published work on the RN, which was, he claimed, 'a model of what a history should be', written by a 'gentleman who has made the study of Naval History, strategy and tactics his life's work'.

29 Hardy, C. T. Born 1877. Assistant Director of the Trade Division at the Admiralty during World War I and commanded HMS Avoca; Second Naval Member, ACNB, 1920-23; ADC to the King, 1926; retired 1926; promoted Vice Admiral, 1931.

30 op.cit., 11 August 1921. It is ironic that Hardy should praise Corbett in such glowing terms when the Admiralty was in the midst of a heated controversy caused by Corbett sending his drafts to the publisher without first submitting them to the Admiralty. The Admiralty objected that the work was 'not comprehensive and could not be considered to give a fair account of what had passed unless it contained the actual telegrams and despatches dealing with the operations which were described and criticised'. However, more to the point was the comment that Corbett's work 'reflected on action taken by previous Boards'. Adm 167/56, Board of Admiralty, Minutes of Meeting 19 August 1919. There is no evidence in the Australian records to indicate whether or not the Australian Naval Staff had communicated with Admiralty staff on the matter. From Hardy's comments it seems unlikely that they knew of the matter. The parallel reaction to the historians is more an indication of the general Naval dislike of criticism. It is indicative in this regard that Curzon should write to Henderson claiming that the Admiralty were trying to censor Naval Review out of existence for its criticism of the Admiralty's conduct of the war. Curzon to Henderson, 24 September 1919. HEN/2/6, Henderson Papers, NMM.

See also Schurman, op.cit., p. 127-28.
Although there is no doubt that Jose31 did not have the scholarly stature of Corbett, he was an historian of some reputation in Australia and had slight naval experience. It is difficult to know if anyone better qualified was available in Australia at the time. The level of scholarship involved, however, was not the issue at stake. Hardy instructed the Naval Staff reading the draft:

Criticisms or discussions of the policy pursued when building the Fleet are not required. Similarly, criticisms or discussions of the strategy and conduct of the actual operations should be omitted.32

The issue of censorship resulted in several letters between the Ministers of the Navy and Defence and the Prime Minister. A committee was set up to review the work before it was published in 1928.33

In the main, senior naval officers tended to take the existence of an Australian maritime tradition for granted. This is understandable in RN officers who came to Australia on short appointments from a Mother Country with well established naval and maritime traditions. Dumaresq was an

31 Jose, A. W. Born Bristol, England, 1863. Educated Balliol College, Oxford; Balliol Scholar, 1880; Arrived in Australia, 1882; Acting Professor of Modern Literature at Sydney University, 1893; Organizing Secretary to University Extension Board, 1893-9; Acting Professor of English and History, M.A.D. College, Allgarh, India, 1902; Captain Australian Correspondent of The Times, 1904-15; Captain, CMF, attached to Naval Intelligence, Navy Office, 1915-20; Editor in Chief of The Australian Encyclopedia, 1922-35. Publications: The Growth of the Empire, 1897; History of Publications; Australia, 1903; Two Wheels, 1903; Builders and Pioneers, 1928; Australia, Human and Economic, 1932; The Romantic Nineties, 1935.

32 Hardy to Commander Maxwell-Scott, 11 May 1921. CAO, MP472, item 2/21/9045.

33 The situation of the author of the official history of the RAN in World War II was happier. G. H. Gill was selected by the General Editor, Gavin Long, who after consulting the First Naval Member proposed Gill to the Advisory War Council. Gill was not restricted in comment or expression of opinion. G. H. Gill, The Royal Australian Navy, 1939-1942, p. xiv. Information on Gill’s appointment from Australian War Memorial.
exception to this; Creswell and Hyde were not. Peakes was keenly aware of the lack of a maritime tradition but it appears that few RANC trained officers shared his awareness. Their Australian and British training steeped them in the forms and outlook of the RN. If any saw the need for a more innovative approach to relating the service to the public, there is little evidence that they carried their ideas into practice. Admittedly, any attempt by a service board to educate the electorate to the necessity for and consequences of the maintenance of that service would have been fraught with problems. However, such action was badly needed during the inter-war period.

The ACNB during the inter-war period allowed occasional cine films to be made of the RAN and provided information for the press in a desultory fashion. The press, for its part, was not very interested in the Navy except for sensational incidents. In 1923, the Director of Naval Intelligence was entrusted with the responsibility of calling the attention of the press to articles published overseas:

with a view to educating Australian public opinion to a better appreciation of the Naval Service.\(^{34}\)

However, the directorate of Naval Intelligence was not a suitable body to have significant effect in fostering a maritime tradition. The main task of the DNI in dealing with the press appears to have been the correction of mistaken information and the safeguarding of information which the Navy desired to restrict.

The desire on the part of naval authorities to avoid criticism and public debate, together with the lack of an academic tradition in naval education, especially with regard to the humanities, had the effect of stultifying debate on strategic and related matters within the service.

\(^{34}\) CAO, CRS A2585, Naval Board, Minutes of Meeting 31 January 1923. Everett was First Naval Member and Hyde was Acting Second Naval Member at the time.
The RAN had no professional journal of thoughtful reputation such as the British Naval Review or the American U.S. Naval Institute Proceedings, although some contributions to Naval Review were probably from RAN officers. RAN officers had no acceptable Australian forum to debate serious issues free from Ministerial, Departmental or Board censure. This lack had a cyclical effect and officers educated in the system largely failed to perceive its faults. Lack of an outlet for ideas, especially among the middle and junior levels of commissioned officers, together with the length of time spent in post-graduate training in Britain and the wholesale adoption of British traditions, allowed little scope for the development of a distinctive Australian outlook within the RAN. Partly as a result of this, Australian naval officers in general failed to appreciate sufficiently the limits of the RN’s ability to protect Far Eastern interests.

If the RAN failed to appreciate British limitations, Lyons had little interest in providing an independent assessment. Andrews has described Lyons as 'an emotional pacifist, horrified by the thought of war'. Lyons' Cabinet held a wide range of views in regard to appeasement but was reasonably unanimous in its view of Australia's place in the Empire. His first two Ministers for Defence, Pearce and Parkhill, were men steeped in the unity of Empire.

The Lyons Government can be seen by its record to have been not greatly interested in defence matters during its first term of office. The only reference to defence in the Governor General's Speech opening the Thirteenth Parliament in February 1932 was a reference to the importance of the

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36 Pearce was Minister for Defence from 6 January 1932 to 12 October 1934 when he was succeeded by Sir Archdale Parkhill who held the portfolio until 20 November 1937. Andrews, 'Appeasement', examines the diverse views within the Cabinet.
Disarmament Conference in Geneva.\textsuperscript{37} No policy on defence was made publicly manifest until 23 September 1933 when the Minister for Defence, Senator Pearce, outlined the Government's intentions in a speech at the Millions Club in Sydney.\textsuperscript{38} The first Estimates put to Parliament by Lyons in October 1932 provided a further slight reduction in the defence vote which took defence expenditure to its lowest level as a percentage of gross national product (0.49 per cent) since 1919.\textsuperscript{39}

The point of the Government's lack of interest needs to be qualified by the fact that defence expenditure as a whole rose slightly during the seven years of the Lyons administration. From 1933/34 it rose gently until 1937/38, when it took a distinct upturn, as the equipment ordered under the rearmament programme begun in 1936 started to be delivered and to be paid for. It cannot be said that the Lyons Government did nothing about restoring naval expenditure during its first term of office. The rise in naval expenditure, as distinct from overall defence expenditure, began in 1932/33 when £1,498,813 was spent, an increase of £52,110 on the previous year. By 1937/38 naval expenditure had risen to £3,093,823.\textsuperscript{40} However, it was not until 1938/39 that naval expenditure exceeded the level of 1928/29 which was the final year of Bruce's five year defence programme. After a distinct rise in 1934/35 the increase in naval expenditure levelled off until 1937/38.\textsuperscript{41}

\textsuperscript{37} CPD, Vol.133, p.7

\textsuperscript{38} CAO, CRS A2031, Defence Committee, Minutes of Meeting 15 December 1933.

\textsuperscript{39} ibid., Vol.134, p.1632. See also Appendix I.

\textsuperscript{40} See Appendix I. The expenditure for 1937/38 was a drop on 1936/37 when naval expenditure was £3,127,668.

\textsuperscript{41} See Appendix I. Total defence expenditure continued to rise continuously until 1937/38 because army and air force increases in expenditure rose more steeply than naval increases. In 1938/40 air force and naval expenditure was roughly equal.
The sharp increase in 1934/35 was due to the acquisition of a destroyer flotilla on loan from the RN, the first payment for Brisbane's replacement, and the laying down of a sloop at Cockatoo Island Dockyard. The increase over the remainder of the period was largely taken up restoring pay and conditions of personnel affected by the depression measures. During the early 1930s the Lyons Government trailed behind public opinion on defence rather than providing a lead in that regard.

Limited restoration was made to the operational strength of the RAN (see Table 3). In December 1934 Australia departed on exchange duty in the Mediterranean. Personnel increased from 3167 borne on strength in 1931/32 to 4172 in 1935/36. Moresby was re-commissioned in April 1933 to continue survey work on the Barrier Reef. Arrangements were made for reserves of stores, reduced during the depression, to be restored to their normal basis. Manufacture of ordnance stores in Australia was increased. Reserves of fuel oil were increased and arrangements were made for the tanks at Darwin to be completed and two additional tanks of 12,000 tons each to be erected at Sydney. These improvements took place under a three year programme coordinated by the Defence Committee in late 1933, and due to run from 1934/35 to 1936/37. The most salient naval provisions in the three year programme were the replacement of the cruiser Brisbane, the taking over of a

42 A list of benefits accruing to the Navy under the Lyons Government was compiled in April 1936 for use in defending the Government's performance in defence. CAO, MP124/6, item 404/201/195.
43 ibid.
44 CAO, CRS A2031, Defence Committee, Minutes of Meeting 28 November 1933. The programme was made possible partly on
money saved by scrapping the sloops Marguerite, Mallow and
Geranium late in 1932. This was done without providing for
immediate replacement as advised by the Admiralty and brought
the comment from the Admiralty that they
would much regret the disposal of the three sloops
without replacement, as this would reduce the
total possessed by members of the British
Commonwealth below 60, which, as stated in 1930
Imperial Conference...is the number estimated to
be required.

Secretary of State for Dominion Affairs to Prime Minister,
(cont.)
Table 3

COMPARISON OF HMA NAVAL FORCES IN 1931 AND 1934.

<table>
<thead>
<tr>
<th>In Commission:</th>
<th>May 1931</th>
<th>May 1934</th>
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<tbody>
<tr>
<td>Cruisers</td>
<td>Australia Canberra</td>
<td>Australia Canberra</td>
</tr>
<tr>
<td>Seaplane Transporter</td>
<td>Albatross</td>
<td>Stuart</td>
</tr>
<tr>
<td>Flotilla Leader</td>
<td>Anzac</td>
<td>Tattoo</td>
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<tr>
<td></td>
<td></td>
<td>Voyager</td>
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<tr>
<td></td>
<td></td>
<td>Waterhen</td>
</tr>
<tr>
<td>Sloops</td>
<td>Penguin</td>
<td>Moresby</td>
</tr>
<tr>
<td>Depot Ship</td>
<td>Penguin</td>
<td>Penguin</td>
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</tbody>
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<table>
<thead>
<tr>
<th>In Reserve:</th>
<th>Adelaine Brisbane</th>
<th>Adelaine Brisbane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruisers</td>
<td>Albatross</td>
<td>Anzac</td>
</tr>
<tr>
<td>Seaplane Transporter</td>
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<tr>
<td>Flotilla Leader</td>
<td>Stalwart</td>
<td>Stalwart</td>
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<td></td>
<td>Success</td>
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<td></td>
<td>Swordsman</td>
<td>Swordsman</td>
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<td></td>
<td>Tasmania</td>
<td>Tasmania</td>
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<tr>
<td></td>
<td>Tattoo</td>
<td>Vampire</td>
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<tr>
<td>Sloops</td>
<td>Geranium</td>
<td>Vendetta</td>
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<td></td>
<td>Mallow</td>
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<tr>
<td></td>
<td>Marguerite</td>
<td></td>
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<td></td>
<td>Moresby</td>
<td></td>
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<tr>
<td>Fleet Oiler</td>
<td>Kurumba</td>
<td>Kurumba</td>
</tr>
</tbody>
</table>
destroyer flotilla on loan from the RN and the laying down of two sloops. The first two are interesting illustrations of the effects of the 1930 London Naval Treaty on the RAN and the extent to which the RAN had been forced to rely on the RN.

Brisbane was due to be scrapped in mid 1935. This date was determined by the London Naval Treaty which laid down the dates at which specific British Empire cruisers became over-age and could be replaced by new vessels. As the RAN possessed part of the Empire quota, there was considerable pressure on the Lyons Government to replace Brisbane with a new vessel on the due date so as not to reduce the numbers of Empire cruisers. Admiralty pressure during the 1930 Imperial Conference for the RAN to order a cruiser has already been noted.

The Australian Cabinet considered the cruiser replacement in March 1933 but desired to explore the possibility of building at Cockatoo Island Dockyard. Sketch estimates for a 'Leander' class 6 inch gun cruiser which the Admiralty had recommended were presented to Pearce by Hyde the same month and contained a strong argument in favour of building in Britain. In May 1933 Lyons cabled Bruce that the Government could not afford to order a replacement that year but as the Admiralty had laid down four 'Leander' class cruisers to be commissioned in mid-1935 the Government hoped to order one the following year. In the latter half of 1933 the ACNB changed their minds on the class of cruiser they wanted. There were signs that the London Naval Treaty would not be renewed in 1935

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Australia, 31 May 1932. CAO, CP360/5. The Admiralty asked that Anzac not be scrapped until the outcome of the Disarmament Conference was known. The Lyons Government agreed and Anzac was not scrapped until early 1935.

45 First Naval Member to Minister for Defence, 21 March 1933. CAO, MP 1049, Series 5, item 2026/3/83.

46 Lyons to Bruce, 30 May 1933, ibid.
as provided for in the Treaty and the ACNB therefore wished to maintain the option to build an 8 inch cruiser which would be more suitable to Australia's needs. After considerable negotiation with the Admiralty via Bruce, the Australian Government agreed to settle for a 'Leander' class cruiser with the option of it being returned to the RN in place of an 8 inch cruiser if the Treaty was not renewed.\(^{47}\) Negotiation of terms of payment considerably to Australia's favour was also in progress. The following month Hyde advised the Government to accept a 'Leander' and the Admiralty's terms. This was done. HMS Phaeton was subsequently renamed HMAS Sydney.\(^{48}\) Lyons had been able to delay ordering the replacement because the Admiralty were prepared to sell one of the ships they were building. Empire strength in new 6 inch cruisers was increased as Australia's paying for one of the 'Leander' class allowed the Admiralty to divert their finances more toward developing the more advanced class. However, the Australian purchase of HMAS Sydney did remove a modern ship from Admiralty control and was not regarded with equanimity.

The discussion between the Australian Government and the Admiralty provides an occasion to examine Admiralty reserve toward the Australian Government in regard to control of HMA Ships in time of war. Bruce reported to Pearce:

\(^{47}\) Bruce to Lyons, 19 February 1934, ibid. The Admiralty were not prepared to relinquish any more of the Empire's quota of 15 8 inch cruisers to the RAN. Australia was given the choice of 'Leander' or the newly designed 'M' class of cruisers. The latter was 8,500 tons compared to the former's 7,000 tons. Armament was similar but range was increased. The new type was not due for completion before April 1937. The Admiralty were not intending to build more than eight 'Leanders' already under construction but recommended them for the RAN instead of the newer 'M' class, 'as new type desirable should remain in home waters after commissioning until fully tested.'

\(^{48}\) First Naval Member to Minister, 1 March 1934, ibid.
They raise the point that as the question of control and disposition of Australian ships in case of war is in an indeterminate position it would be undesirable having regard to the dangerously low cruiser quota allowed the British Empire to increase the number which in a crisis the Australian Government might conceivably withdraw from the disposition of the British Admiralty. They further suggest Australian sentiment might require locating additional ships on the Australian station which owing to limited number of cruisers available would be impractical and even if ships are located elsewhere difficult political questions are apt to arise in case of emergency for example the 'Brisbane' with China Squadron in 1925. I recognise that the latter danger is always present on exchange of cruisers but would be increased if number of RAN cruisers were augmented.49

The Admiralty at one stage suggested that Brisbane be replaced by a cruiser under British control at a cost of £1,800,000, to which Australia was to contribute by annual instalments. Pearce subsequently put a scheme to Cabinet whereby the RAN would adopt 'the plan now followed re destroyers',50 but nothing came of either suggestion.

The plan for replacing the destroyer flotilla was a distinct change of policy, representing a position between Australian ownership and monetary contribution to Imperial defence. The existing destroyer flotilla, made up of the

49 Bruce to Minister for Defence, 16 February 1933. Secret. ibid. The Admiralty view indicates clear awareness that in some circumstances Australian and British interests might be different. The awareness was not at that time applied to Singapore strategy in papers prepared by the Admiralty for Australian consumption.

50 Pearce to Secretary, Defence Department, 14 March 1933. Ibd. Pearce noted that his plan was an 'alteration of our policy re cruiser replacement'. The scheme was initially rejected but eventually purchased. It is not accepted but the ship was eventually purchased. It is not possible to follow the details of the change because of the absence of Cabinet records. Lyons successfully used the Admiralty's proposals on price as the basis for negotiation of a 'Leander' class cruiser built in Britain was quoted by the ACB as £2,352,375. The cost of the ship paid by Australia was £2,100,000. CAO, MP124/6, item 404/202/788.
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destroyers given to Australia, became over-age in 1936. Kerr in his final report recommended they be placed in reserve and be replaced by destroyers on loan from the RN instead of Australia constructing new ones. The Admiralty, through CID Paper 372-C of August 1932, recommended this course of action. The Australian Government agreed to the arrangement whereby a flotilla leader and four 'V' and 'W' class destroyers were transferred to the RAN on loan. The Australian Government was to take over the vessels at British ports and bear running and maintenance costs while on service with the RAN. When the vessels were sold or scrapped the value of the vessels at British prices was to be refunded to the British Government. A full equipment of permanent stores was supplied with each vessel and was to be refunded at the conclusion of loan. The Australian Government requested Admiralty help in providing crews to sail the vessels to Australia and after protracted negotiation the Admiralty reluctantly agreed to provide a crew to sail one destroyer to Singapore. The ACNB sent a nucleus Australian crew to Britain to man each destroyer and these were supplemented by the RN personnel. The RAN was thus able to save on fares to Britain and reduce the number of personnel away from Australia.

The new flotilla comprising HMA Ships Stuart, Voyager, Waterhen, Vendetta and Vampire arrived in Australia in December 1933. Vendetta and Vampire were placed in

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51 'Final Report of Vice Admiral Wm. Munro Kerr, CB, CBE, 19 October 1931.' CAO, MP1049, Series 5, item 1968/2/79. Admiralty advice at the 1930 Imperial Conference that the Dominions build cruisers and sloops but not destroyers has been noted in Chapter 8.

52 First Naval Member to Minister for Defence, 2 February 1933. CAO, MP1049, Series 5, item 2026/4/15.

53 Secretary, Department of Defence to Secretary, ACNB, 31 March 1933, ibid. The British crew were a relief crew being sent to take up duty in Singapore.
reserve. In February 1936 the Admiralty requested that the 'S' class destroyers be scrapped before the end of the year according to the provisions of the 1930 London Naval Treaty. The ACNB endorsed the request on 11 March and the Government agreed with the proviso that its agreement was not to be construed as a commitment to replace them.  

By 1935 the RAN had gained back much of the ground lost in the depression in terms of personnel conditions, but it was still seriously weakened as a fighting service and the Admiralty had not been given grounds for revising the attitudes formed in response to the Scullin Government about Australia's preparedness to allow the burdens of Australian defence to be shouldered by the Mother Country. The RAN still shared in RN advances and deliberations. Hyde attended the Flag Officers' Conference at Singapore in January 1934.  

However, disenchantment with the performance of successive Australian Governments, together with the financial and treaty restrictions under which the Admiralty were forced to work, led to the Admiralty using the RAN as a reserve for second grade equipment and tailoring their advice to suit the British situation. This tendency should not be taken out of the context of the overall system of cooperation in Empire defence. The point remains, however, that by 1935 some of the warmth had gone out of the relationship between the Admiralty and the Australian Government. The period highlighted the fact that Australian naval defence relied heavily upon Britain, whereas the RN was a large, self-sufficient organization to which Australian cooperation was not essential.

54 CAO, MP1049, Series 5, item 2026/4/18. The 'S' class destroyers Stalwart, Success, Swordman, Tattoo and Tasmania had been given to the Australian Government by the Admiralty in 1919.

55 Prime Minister, Australia, to Secretary of State for Dominion Affairs, 4 October 1933. CAO, Al608, item CS1/1/10. Hyde and his party travelled to Singapore by mail steamer instead of being taken in one of the Australian cruisers as had been the practice previously. This was done 'to save expenses and avoid complete dislocation of Squadron gunnery and leave programme'. The incident illustrates some of the problems faced by the RAN in having only three to four seagoing vessels in commission.
NAVAL CONFERENCE, NAVAL CRISIS:
THE 1935 LONDON NAVAL CONFERENCE AND THE ABYSSINIAN CRISIS

The London Naval Conference of 1935-36 which continued as a system of informal consultations until September 1939 was the last of the formal conferences of the inter-war period. Even as the Conference was meeting, however, events were changing the balance of international power to the extent that the continued limitation of naval arms became impossible. The Conference is especially significant for the purposes of this study in its illustration of two elements of Empire relations. Firstly, the nature of the Naval Conference system which evolved caused the system to continue with its own momentum and direction well after the international situation had changed course and served to qualify support for extensive rearmament. That the international situation had changed course is illustrated by the Abyssinian crisis, the remilitarization of the Rhineland, and renewed Japanese pressure in China. Secondly, as a result of pressure from the United States, Japan and France, the sequence of

1 A small-scale conference met in London in April 1938 to discuss amendments to the 1936 Treaty which would satisfy the United States. The Australian Government agreed to allow the British delegate to act on Australia’s behalf. The result of the conference was a protocol to vary the 1936 Naval Treaty in relation to upper tonnage limits on capital ships. Australia formally renounced all obligations under the London Naval Treaty of 1936 on 11 September 1939. CHO, A981 Disarmament 27, Part III.
Conferences maintained the format of representation in regard to the British Empire which had been dictated by the United States for the Washington Conference. Australia, as part of an Empire system which unified logical precision in its contradictory relationships, was tied to British commitment to Europe and the League, and was formally included in treaties on naval armament accepted by British leaders.

Preliminary discussions in preparation for the Conference were held between the Admiralty and the naval attachés of the other powers late in 1934 to ascertain areas of common ground. As already noted in regard to the 1927 and 1930 Naval Conferences, informal technical discussions which increased in frequency with the onset of a new Conference were held between the Naval Conferences. The substance of most issues to be discussed at the plenary sessions was predetermined.²

Prior to the Naval Conference meeting in December 1935, the Admiralty and the Foreign Office accepted what appeared to be a sudden German concession and concluded the Anglo-German Naval Treaty in the space of three weeks in June 1935. The British Cabinet were informed on 5 June by the Admiralty that the German proposals 'might stop unlimited building and if not accepted immediately Hitler might increase his demands.'³ The proposal to allow Germany to build up to 35 per cent of RN tonnage in surface vessels of all classes and 100 per cent in submarines was considered again by Cabinet on 19 June.

² CAO, A981, Disarmament, 27 Part II. See also CPD, Vol.146, pp. 873 ff. The Disarmament Commission of the League of Nations was still sitting in regular session at the time and giving continued, if stunted, hope for an agreement to limit armaments.

³ Cab 23/81, 32nd Meeting Cabinet, 5 June 1935.
The Secretary of State for Foreign Affairs, Sir Samuel Hoare, argued that Britain and France did well out of the agreement. The Admiralty were anxious for it, as it seemed to offer the hope of limiting to levels manageable by the RN what then appeared to be a vast German naval re-armament programme. The Admiralty answered criticism of the submarine quota with the comment that they 'were rather less apprehensive of submarines today than they had been during the War'. The agreement was a bilateral one. The French and Italian Governments were consulted only briefly after the decision to accept was made and considerable resentment resulted. The Dominions, likewise, were informed after the Treaty was accepted.

The British Empire case to be presented to the Naval Conference was prepared by the Admiralty prior to the negotiation of the Anglo-German Naval Agreement. As was the case with the 1927 and 1930 Naval Conferences the case was prepared without consultation with Australia. The Australian Government was first informed of the Conference on 22 October 1935 and asked to appoint a representative who could attend an early meeting of Empire delegates in London to discuss matters likely to form the Agenda and to 'ascertain the Dominions' views with regard to representation'. In view of the fact that Australia

4 Hoare, Sir Samuel. Secretary of State for Air, 1922-24 and 1924-26; Secretary of State for India, 1931-35; Secretary of State for Foreign Affairs, 1935; First Lord of the Admiralty, 1936-37; Secretary of State for Home Affairs, 1937-39; Lord Privy Seal, 1939-40; Secretary of State for Air, 1940; Ambassador to Spain, 1940-44. Became First Viscount Templewood in 1944.

5 Cab 23/82, 33rd Meeting Cabinet, 19 June 1935. The development and refinement of Asdic had altered the previous advantage held by the submarine. However, because of the general RN antipathy toward submarines, the Admiralty staff tended to discount the coincident development and refinement of the submarine itself.

6 Adm 1/8802.

7 22 October 1935. S of S for Dominion Affairs to P M Australia, CAO, A981, Disarmament 27, Part II.
had appointed a representative to the British Empire Delegation for each of the previous Naval Conferences and was a signatory to the two existing Naval Treaties. Not to mention the fact that Australia was one of only three members of the Commonwealth besides Britain which were doing anything in terms of naval defence, it would seem not unreasonable for Australia to have expected some form of consultation in the formative stages of policy.

The Admiralty Memorandum outlining the Empire case was an exhaustive treatment of the implications of the existing situation in terms of the commitments into which Britain had entered. It is interesting to note a number of its conclusions. The Washington agreement was seen as giving 'us practically a two power standard of strength as against Japan and the strongest naval power in Europe'.\(^8\) This tentative superiority was made possible by subtracting the United States from the combination of potential opponents with which the RN would have to contend. The reference to omitting the US Navy from calculations can be seen as an oblique comment upon private opinion within the RN that the two navies might be allies in a future war. The thought of an alliance was not developed; indeed it was ignored in the remainder of the document.

The Naval Staff emphasised the serious deficiency in cruiser strength resulting from both treaty limits and failure to build up to those limits. The warning was clearly given:

The despatch to the East of a Fleet sufficient to meet that of Japan, combined with a distribution of cruisers to ensure the security of our sea communications against Japanese attack, would leave us with a strength in Europe and Home Waters definitely inferior [in cruisers] to that of the strongest European naval power.\(^9\)

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\(^8\) Adm 1/8802, p.1. Discussion of how this assumption was used in Australia by Parkhill to answer criticism of low RN strength will be found in Chapter 11.

\(^9\) ibid., p.2.
The same situation would result in a bare equality of capital ships. The most threatening deficiency lay in the scarcity of cruisers and destroyers to meet the cruiser and submarine threats against trade. It is interesting to note here that the destroyer was seen in the trade protection role.\(^{10}\) The emphasis of Imperial defence was anchored securely in Home Waters. The possibility of 'the entire protection of this country and its sea communications' being entrusted to an ally was rejected. If a European threat arose it would be necessary to withdraw forces from the Far East and redispose them to meet the new situation. As a result:

> It must not be supposed...that we should be able then to provide protection for our territories and mercantile marine against Japanese attack. If the Government accept [a One Power standard], we cannot simultaneously fight Japan and the strongest European naval power.\(^{11}\)

The fact that this statement ignores the Admiralty idea, indicated above, of an Anglo-American alliance serves to indicate how tentative and limited the idea of such an alliance was. The Admiralty Memorandum was not made available to the ACNB, although it may have been seen by Bruce who was appointed as Australian delegate to the Conference with Hyde as his adviser.

The Admiralty proposed an attempt to obtain further qualitative restrictions on capital ships, to abolish or severely limit submarines and to obtain a long term agreement which would allow the RN to build up its trade protection vessels - light cruisers and destroyers. The question of separate Dominion quotas was examined and admitted to be desirable but not feasible at the time. The

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\(^{10}\) See Chapter 8 for Admiralty advice to the Dominions which since 1930 had stressed the use of cruisers and sloops for trade protection and held that destroyers were essentially a fleet weapon, inefficient for the task of trade protection.

\(^{11}\) Adm 1/8801. The strongest European naval power at the time was France, which was only slightly stronger than Italy.
existing system in relation to Dominion representation was thus accepted for the present Conference. Baldwin, who would lead the British Empire Delegation, had been persuaded by the First Sea Lord, Lord Chatfield, of the value of the capital ship and the importance of not giving in to Japanese demands for equality in the tonnage ratio.  

A distinctive Australian policy in regard to the 1935 Conference seems to have been even less discernible than at the 1922, 1927 or 1930 Naval Conferences. The reason for Australia playing such a role lies not with any lack of stature on the part of Bruce, but rather with the urgency of the international situation. Germany had withdrawn from the League in October 1933 and Japan had withdrawn from the Washington Treaty in December 1934. Both Japan and America had announced large increases in their naval building programmes. Although the Rome Agreement in January 1935 between France and Italy appeared to have relieved tension slightly in that area, the Disarmament Conference had failed to bring agreement after three years of negotiation, there was a good chance of war with Italy over sanctions in regard to Abyssinia, and the relations between members of the Empire itself appeared to be not on the most amicable level. It was thus not an opportune time for Australian insistence on her own requirements, even if the Lyons Government had felt able to pay for them. Bruce's role was that of Empire Whip. His support for the naval limitations contrasts with his doubts about the Washington Conference expressed in 1923. He had mellowed considerably in his insistence on the distinctiveness desirable in Australian policies.

Bruce's support for the British position was consistent with the outlook of the Lyons Government. The not unjustified sense of pride in the achievements of the Empire, the sense of kinship, and the acceptance of Empire

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12 Chatfield, It Might Happen Again, p.70.

membership as a natural phenomenon, were fundamental elements not often expressed explicitly but which, nevertheless, should not be overlooked in attempting to understand the period. In this context the friction of the early 1930s was superficial, although not undisturbing at the time. The death of George V on 17 January 1936 brought the deeper wellsprings of Empire emotion to the surface and reminded Australians of what the King had become - an Englishman brought up in the traditions of the Royal Navy, painstaking in his devotion to duty, with a deep respect for the British constitution and the traditions of the Crown. He had become, partly through his far-sighted use of the new scientific wonder, the wireless, what he himself wished to be - 'The Head of the British Family'.

The Empire relationship was tested by the events leading up to Edward VIII's abdication on 11 December 1936. However, the potential constitutional crisis was avoided and there was a sense throughout the Empire of anticipation surrounding the Coronation of King George VI and Queen Elizabeth on 12 May 1937, at which the Dominion Prime Ministers and delegates to the Imperial Conference were present. Although these events post-date the London Naval Conference of late 1935, they do indicate the direction in which the Empire relationship of the mid-1930s was moving and the reason for Bruce being as anxious as he was to foster cooperation rather than Australian distinctiveness.

In preparations for the Naval Conference, Lyons supported British policy almost to the point of embarrassment. In November 1935 Lyons received a circular telegram from the Minister of External Affairs in South Africa putting a case for naval limitations applying to Britain only and not the Dominions. The Union Government objected to the situation where Britain had control over only part of the Empire quota whereas America and Japan had

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power over all forces allotted to them under the Treaty.

More germane to the South Africans, however, was the assumption:

upon which the figures are, under the existing treaty, allotted to Foreign Powers, viz., that for naval purposes the British Commonwealth forms one unit, so that whenever one of the members is at war all the others take part in it with their Naval Forces, does not rest on any constitutional basis at all, and would unnecessarily expose His Majesty's Government in the Union of South Africa to embarrassing criticism.\textsuperscript{15}

The Union Government proposed either separate Dominion quotas or that the Dominions withdraw from the Conference. Lyons replied on 28 November, also in a circular telegram to all Dominions, India, and the United Kingdom, noting Australia's twenty five years of experience at controlling her own naval forces and claiming to see no disadvantage in a single Empire quota.\textsuperscript{16}

The rationale of Lyons' argument of the danger of Dominion quotas is elusive. However, the stimulus for it is contained in his concluding remark:

The Commonwealth Government...feels, in view of the predominant responsibility which rests on His Majesty's Government in the United Kingdom for Empire naval defence and the conduct of Naval Disarmament Policy, that the fullest weight should be given to the views of H.M. Government in the United Kingdom on this matter.

It is ironic that the Admiralty's memorandum, unbeknown to Lyons, was decidedly in favour of separate Dominion quotas but as the other powers were opposed to the concept the

\textsuperscript{15} CAO, A 981, Disarmament 27, Part II.

\textsuperscript{16} ibid., 'It is to Britain', Lyons cabled, 'that the Dominions must look to provide the main fleet that is the backbone of naval security, and there is a danger with separate Dominion quotas which seek to provide for ultimate strength considered necessary for naval security, that the Empire may exchange a real strength for a paper one.'
Admiralty were resigned to accept the situation as it was for the time being. 17

The Conference, when it met in December 1935, sought to continue the status quo rather than introduce the new qualitative measures which the British Cabinet favoured. The Japanese failed to obtain their goal of equal ratios with Britain and America, and subsequently withdrew from the scheme of naval limitations. The resulting Naval Treaty, signed in March 1936, was subject to ratification by the parties involved. In brief, the Treaty provided for agreement of America and France to the Anglo-German Naval Treaty, and to a 35,000 ton, 14 inch gun limit for capital ships. 18

Other provisions of the 1930 London Naval Treaty were to be continued for a further five years. It was hoped at the time that Italy would sign the Treaty when the Abyssinian crisis was settled and Japan 'may accede eventually'. 19 The Admiralty obtained the concurrence of the signatories to conduct discussions with the Russian Government with a view to concluding a bilateral agreement. The Polish, Netherlands, Danish, Norwegian, Spanish and Swedish Governments were formally advised of the details of the Treaty in the hope that they would also adhere to the provisions of the 1935 London Naval Treaty. The British Cabinet laid the qualification upon ratifying the Treaty that an Anglo-Russian Agreement be reached beforehand. One can only assume this was an escape device with Japan in mind. The Australian Government followed the British lead.

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17 Ibid. The Canadian Secretary of State for External Affairs informed Lyons in a telegram of 29 November 1935 that the Admiralty had raised the subject of Dominion Quotas in preliminary 'bilateral' discussions with the other Powers the previous year and, as a result of the reaction they received, had decided not to pursue the subject.

18 Perfunctory British consultations with the French over the Anglo-German Treaty were partly a result of the haste with which the negotiations had been concluded, as the French were privately furious. It was no small feat of diplomacy to obtain French agreement to the London Naval Treaty, but the price was paid in less than satisfactory cooperation from the French over Abyssinia.

19 External Affairs Office, London, to Secretary, Department of External Affairs, 7 March 1935, Ibid.
The agreement reached between Britain and America on capital ships was subsequently altered by protocol at the behest of the US Government in June 1938 with 'the concurrence' of the Australian Government. A Bill to give effect to the Treaty in Australia was passed in the Senate in 1936, was introduced into the House the same year but lapsed, was renewed in the House in 1937, and lapsed with the dissolution of Parliament in 1937. A new Bill, incorporating the changes under the protocol, was prepared for the 1938 session but never proceeded with.\textsuperscript{20} The intensified building programmes of both the RN and the RAN were not affected by the treaty limits, as both services were so far below them as to make building to those limits beyond reach for the near future. This is not to say that the renewed Naval Treaty was not seen as important at the time. Although the Admiralty were not overjoyed, at least the Japanese demands had been resisted. It was a Pyrrhic victory, perhaps, but the point had been made to the British and Australian public that there were limits to the concessions which could be made in the name of disarmament. In the view of the British Cabinet, the Conference had been a qualified success.

The London Naval Conference of 1935 is of special interest to the purposes of this study because of the issue raised by the South African and Irish delegates on the subject of Dominion status. The South African delegate, the High Commissioner to Britain, te Water, seized the opportunity to object to an interchange between the Chairman, Viscount Monsell, and the Japanese delegate,

\textsuperscript{20} CAO, AB16, 4/301/37.
Admiral Nagano, over what constituted the naval forces of Britain. 21 Certainly the inherent contradiction within international relations of an Empire composed of separate and independent states as defined by the 1926 declaration was one which cut across the logic of high contracting parties. Although both Monsell and Nagano refused to be drawn further into a discussion on Dominion status, both te Water and the Irish Free State delegate, Mr Dulanty, insisted upon making the point that they did not regard the Conference as a Five-Power Conference. Dulanty went so far as to insist that the Irish Free State was a High Contracting Party, co-equal with other High Contracting Parties. 22 The fact that neither the South Africans nor the Irish possessed independent naval forces was inconsequential.

21 Nagano had referred to 'all Five Powers here' and Monsell was unwise enough to request clarification as to whether Nagano envisaged the United Kingdom only or the 'Members of the British Commonwealth' as falling within the ambit of his terminology. Nagano replied somewhat testily:

...as regards the Dominions, if they are to be regarded as independent states, may I ask whether it is the intention of the British Delegation to suggest in the proposal that they may fix the size of the forces for each of the Dominions; and I should like to ask whether the same procedure would be followed by the United States! We came here with the understanding that we were attending a Five Power Conference, but if each Dominion is to be counted as an independent country what will be the number of participants in the Conference.

Te Water was clearly sensitive to the fact that Nagano's attitude left no room for a Dominion as a separate independent state. CAO, A1606, SC D 24/1.

22 ibid.
The incident had no effect upon the outcome of the Naval Conference but was followed up later by the Water and resulted in a conference between Dominion High Commissioners and the Secretary of State for Dominion Affairs (who left the South Africans to do the work). A series of meetings in October and November 1936 resulted in the matter being held over for the Imperial Conference the following year. Bruce's role in this issue was one of mediator. He reported to Lyons that the overriding concern at the Naval Conference had been to achieve some continuing limitation in naval armaments. It was necessary, he said, that the Empire be regarded as one unit. From the point of view of the constitutional relations of the Empire:

"it was felt that this need not involve any embarrassment because in fact Australia was the only part of the Empire, other than Great Britain, that had any naval forces of moment."

Bruce was strongly opposed to the South African desire to emphasise the independent status of the Dominions to the international community. This, Bruce felt, would lead to a 'long range controversial constitutional discussion which, so far from facilitating solution, would probably render it more difficult'.

He saw the Naval Conference as being part of a sequence of Conferences originating in 1922. As such, it was a special case and should not be taken as constituting a precedent.

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23 Bruce to Lyons, 19 October 1936. ibid.

24 Bruce to Lyons, 17 November 1936. ibid. Taylor comments of the Empire relations in this period that 'the Commonwealth was by no means stalwart'. He also notes the friction over Larwood's body-line bowling in the 1933 Test series and the intervention of the Secretary of State for Dominion Affairs to have Larwood dropped from the English team - 'the only occasion on which a cabinet minister has chosen a cricket eleven, even negatively'. Op.cit., p.378. The previous year the Rugby League test series between Britain and Australia was a bloody affair which was highlighted by recriminations over what had popularly become called the 'Battle of Brisbane'.
The extent to which the policy of naval limitation had ceased to accord with the reality of power was illustrated by the Abyssinian crisis. Although this was not the first international crisis since 1918, it was the first time the Empire naval forces had been required to support British policies against a major Power. In the event, the limitations of the Empire’s forces were shown to be serious. That is not to say that the events of 1935-36 appeared as clear cut at the time as they do from the vantage point of hindsight. However, the compromises forced upon the British Government were obvious in Australia, even though their details were not widely advertised. Neither did the restrictions forced upon the British Government's freedom of movement by a sense of responsibility toward the Empire and British interests in the Far East go unnoticed.

The crisis originated on 5 December 1934 when Italian and Abyssinian border patrols became involved in a skirmish on the badly defined border between Italian Somaliland and Abyssinia. Mussolini seized the incident as a convenient excuse to expand his colonial possessions and in the following March Italian troops began to be concentrated in the border region. As both Italy and Abyssinia were members of the League of Nations, the League was requested to arbitrate by Emperor Haile Selassie. The Italo-Ethiopian Arbitration Committee meeting at Scheveningen in Holland had become deadlocked by 5 July and was adjourned. The matter was held over to be discussed by the League Council at the end of July. In the meantime Baldwin instructed the Chiefs of Staff to study the implications of the imposition of sanctions under Article 16 of the Covenant.25 The British and French Governments spent the succeeding six months endeavouring to agree on combined action, while a parallel debate was continuing within the League on whether or not to impose sanctions. Meanwhile, the Italian army made steady gains. It was the considered

25 Cab 53/5,147th Meeting COS, 30 July 1935.
opinion of the British Chiefs of Staff that the imposition of sanctions would inevitably lead to war. 26

The responsibility for enforcing the League's policies would have been shouldered largely by British forces. The RAN had, at the time, one 8 inch cruiser, HMAS Australia, serving with the Mediterranean Fleet and, as such, under the control of Admiralty. However, ships on the Australia Station were also involved. They flew the White Ensign and were regarded by the international community as belonging to the naval forces of His Majesty. The Italian cruiser Quarto left Shanghai in September and was believed to be making for the Netherlands East Indies, perhaps with the intention of emulating Emden. 27 Had war broken out between Britain and Italy, HMA ships could have been fired on. The fact that Australia claimed, under the terms of the 1926 Declaration, to be 'an autonomous community...in no way subordinate one to another in any aspect of...external affairs' would have no effect while ships of the RAN sailed under the White Ensign as part of the naval forces of the British Empire. 28 In October four Italian submarines made passage through the Suez Canal to operate out of Massawa. Although it is now obvious that these vessels were needed for the immediate defence of Massawa, that fact was not so obvious

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26 ibid.

27 CAO, MP1049, Series 5, 2026/2/122. On 9 October 1935 ACNB ordered all stations to make shipping messages in cipher to avoid publicising commercial and service movements. In September of the same year the Australian squadron was moved from its station at Hervey Bay via Darwin to its war station off the central Western Australian coast.

28 It was not until Australian involvement in Vietnam put the RAN into a conflict which had not also been entered by the RN that there was the need for a distinct ensign for the RAN.
at the time, when the prospect of a wider war was regarded as a distinct possibility.

The strategic situation in the Mediterranean by mid-1935 was grave. A. J. Marder, who has had access to the Chatfield Papers, has revealed the First Sea Lord's assessment that war was close.²⁹ By August 1935 when the League Council was discussing the imposition of sanctions upon Italy, Chatfield was 'expecting the possibility of hostilities at a moment's notice'.³⁰ Despite both the strategic disadvantage under which Italy was placed, with a long sea route between Italy and her army, and the obvious fact that Mussolini would not gain anything worthwhile by war with Britain, Mussolini's attitude at the time gave rise to fear of what was popularly called a 'mad dog act'. By late August the Mediterranean Fleet had been reinforced, although the British Cabinet refused the Admiralty's request to mobilise reserves and the Admiralty refused to send the Home Fleet to the Mediterranean, preferring to keep it at Portland at short notice. Both Home and Mediterranean Fleets were brought to full complements by drafting men from the training schools and calling up volunteers without publicity. As will be shown, the British Cabinet were privately concerned to avoid war and prepared to make considerable concessions to do so. However, the public face worn by the British Government gave a different impression altogether. Marder notes the contrast between Hoare's bellicose speech in the League on 11 September affirming Britain's support for the League 'complete with raps on the desk of the rostrum for additional emphasis', and the concurrent secret talks with the French Foreign Minister, Laval, where direct military intervention was ruled out.³¹ The public face was a bluff to scare

³⁰ ibid., p.1326.
³¹ ibid., p.1332.
Mussolini into a more moderate policy. With the League voting in favour of economic sanctions on 18 November, there needed to be only a slight miscalculation on either side for hostilities between Britain and Italy to have broken out. The British Cabinet, operating different policies at different levels, was not in as much control of the situation as may appear from the vantage point of history.

Australia was exposed to the risk of war, not by a deliberate decision of her own government but by acquiescence in the Admiralty request to move RAN units to positions of strategic advantage. The Admiralty moved elements of the China Squadron to Singapore to cover the movements of the Italian cruiser, Quarto, and asked the Australian Government to move HMAS Canberra and HMS Sussex unobtrusively "in order that they may be suitably disposed to cooperate with China Squadron should occasion arise and should you so desire..."[2] Ten days later ACNB was requested by the Admiralty to allow HMS Sussex to join C in C Mediterranean.[3] On Trafalgar Day, HMS Diomede left the New Zealand Division to proceed to the Mediterranean and Hyde suggested to the Minister for Defence, Sir Archdale Parkhill, that it would be a gesture of the unity of the Empire if the services of HMAS Sydney were to be placed at the disposal of H.M. Government in the United Kingdom.[4] The fact that the RN would be the

[2] CAO, WP049, Series 5, 2026/2/122, S of S for Dominion Affairs to P.M. Aust., 12 September 1935. HMS Sussex was the exchange cruiser in Australian waters while Australia was serving with the Mediterranean Fleet.


[4] Ibid, CNS to Minister, 21 October 1935. There is reason to believe that the desire of the CNS for Australian ships to be involved in the affair was not without a sense of anticipation. As Michael Howard has remarked, "the Mediterranean Fleet looked forward with some enthusiasm to fighting an enemy for whom they had never had such respect fighting an enemy for whom they had never had such respect fighting an enemy for whom they had never had such respect." Michael Howard, The War which was strategically vulnerable - II, Howard, The War, was strategically vulnerable - II, Howard, The War, was strategically vulnerable - II, Howard, The War, was strategically vulnerable - II, Howard, The War, was strategically vulnerable - II, Howard, The War, was strategically vulnerable - II, Howard,
instrument of British policy led to a great deal of pressure being applied to the Australian Government by the ACNB in favour of Australian involvement, though it must be borne in mind that this was not altogether contrary to the general tone of support for the Empire throughout Australia.

The Abyssinian Crisis was, for the RN, ten months of strain and dislocation. With America, Germany and Japan out of the League, only Britain had significant naval forces to contribute toward 'collective security'. 35 In the December 1935 debate, the British Cabinet was told by the Chiefs of Staff that the fleet in the Mediterranean could command the Italian fleet but might sustain serious losses as it was not equipped for war in a land-locked sea. Although economic sanctions had been built up on the basis of 'collective' naval strength, 'some of the nations supporting sanctions might show less alacrity' 36 if Britain's naval weakness was appreciated. When the prospect of war with Italy was viewed against Imperial and Western European commitments the position was precarious. The defences of Singapore and Hong Kong were incomplete. The only means of deflecting Italian air attack on the Mediterranean Fleet was to attack the Italian Bases and North Italy. That action would require the complete cooperation of the French in the event of Italian counter attack. It was also pointed out that losses suffered on behalf of the League would 'lower the datum point from which the expansion of our forces...would start'. 37

The British reliance on French bases and French naval forces to hold the Mediterranean and help with naval defence in the Atlantic will be seen in succeeding chapters.

36 Cab 23/82, 50th Meeting Cabinet, 2 December 1935.
37 ibid.
What is significant here is the fact that the ability of the RN to meet Britain's commitments depended, in part, on French cooperation and that cooperation was not forthcoming. The British Chiefs of Staff advised:

From the Naval and Air point of view, therefore, it was represented that our defence forces and defences in the Mediterranean were not in a proper condition for war, and from this point of view, it was urged that an effort should be made to obtain peace.

Cabinet was given secret information that although Italy was strategically vulnerable preparations were being made and she would declare war if oil sanctions were applied. The Minister for League of Nations Affairs, Anthony Eden, was asked to do what he could to have the date postponed at which sanctions were to be imposed. By May 1936 Cabinet was advised that the Admiralty's commitment in the Mediterranean had created a situation where war would have to be declared and reserves called up or the commitments in the Mediterranean liquidated to allow the Navy to return to its normal peace-time routine. The situation was eased by the collapse of the Abyssinian army.

The papers of the Chiefs of Staff Sub-Committee and the Cabinet clearly indicate that British responsibilities in the Far East were an important factor limiting the Cabinet's freedom of action. While the Mediterranean Fleet was confident, despite its own difficulties, of defeating the Italian navy, and while the First Sea Lord shared that confidence, when viewed against the total context of British responsibilities, the situation was so precarious that the Chiefs of Staff strongly advised avoidance of war in the short-term. 41 Both Chatfield, who

39 Ibid.
40 Cab 23/84, 37th Meeting of Cabinet, 18 May 1936.
41 See Marder, op.cit., p. 1336. See especially COS Paper 405.
dominated the Chiefs of Staff, and Hankey were staunch supporters of Empire. Their advice to the 2 December meeting of Cabinet was based upon two fears: the possibility that Japan would take advantage of war in the Mediterranean to pursue a more forceful role in the Far East, and the fear that German rearmament would be given an even greater lead by reason of British losses.

The latter consideration was considerably strengthened with the German remilitarization of the Rhineland in March 1936. The reaction of the British Cabinet to that event was to consult the French and Belgians about the German action contravening the Locarno Agreement but to be circumspect in terms of positive action. The same reasoning guided this reaction as had guided the action over the Abyssinian crisis, at least in terms of private Cabinet conclusions, although there were also other factors present. The public face of the British Government did not reveal so clearly the limits which the Cabinet privately felt constrained to accept.

In terms of Australia's contribution to Empire foreign policy, Abyssinia was Chanak revisited. In September 1935 H. P. Batterbee, Permanent Under Secretary of State for Dominion Affairs, addressed a memorandum to the Minister, Malcolm MacDonald, urging, as a result of discussion with Hankey, that the Dominions should be consulted as soon as possible. Batterbee noted that Cabinet had reached the stage of examining the application

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42 Cab 23/83, 17th, 18th and 19th Meetings Cabinet dealt with the question. The remilitarization of the Rhineland held little threat of war for Britain. As well as inadequate forces the British Cabinet was faced with the result of the Peace Ballot on 28 June 1935 and popular sympathy which could not rise to indignation over the German right to 'walk into their own backyard'. Taylor, op. cit., p. 396. The situation vis-à-vis France was reversed in this case. Whereas France had refused to cooperate over sanctions on Italy, she was greatly concerned at the re-occupation. The British Government could only be prevailed upon to offer France and Belgium a renewed guarantee against German aggression.

of the War Book and advised that, because the procedures laid down in the War Book were based on the assumption that the Dominions would immediately take similar action, the Dominions ought to be consulted. The crux of the problem was 'the assumption that the Dominions were prepared fully to cooperate with us in warlike measures'.

Batterbee noted that it was:

...only by accident that the Dominions Office became aware of, and was in a position to inform the Dominions of, the sending of the two battle cruisers to Gibraltar and then only just before the public announcement of their arrival. (To Australia especially such information is of the utmost interest having regard to the fact that we have asked the Commonwealth to take action with a view to the disposition of Australian ships in the Pacific and that there is an Australian cruiser in the Mediterranean.)

That is not to say there was no meeting with Dominion representatives prior to the Batterbee memorandum. Three

44 ibid. The underlining is in the original. The War Book was a volume issued to each Department of State setting out in detail the wording, codes and procedures for the series of telegrams which formed the administrative machinery designed to move the Empire from peace to war. It began at the institution of the precautionary stage and dealt with, for example, calling up naval reserves, censorship, treatment of shipping and aircraft and contraband. It was prepared in the early 1920s under the guidance of Hankey when peace seemed assured and, in the words of Batterbee, when 'Dominion Ministers were in different situations than now'. From the detailed description given by Batterbee to his Minister it is likely that MacDonald was not aware of the War Book. It is certain that few members of the Australian Cabinet knew of its existence. Hankey reported after his tour that Australia had a 'very complete organization' and an 'up to date Government War Book', Cab 2/6, 281st Meeting CID. South Africa and Canada both had War Books. The Irish were not in possession of a War Book and all mention of preparations was to be kept from them.

45 ibid. HMAS Australia had been sent to Britain to have aircraft catapults fitted and had then proceeded to join the Mediterranean fleet as 1935 exchange cruiser.
days previously the Foreign Secretary met with Dominion representatives to outline a 'Charter of Assistance' which provided, inter alia, for British and French concessions to Abyssinia in return for Abyssinian concessions to Italy. Bruce represented Australia at that meeting. The point of the Batterbee memorandum was the lack of frankness in the consultations. The weakness was well illustrated in Cabinet the following December in a long debate on the War where it was urged:

...in order to maintain this common front there should be an early meeting with representatives of the Dominions in London as soon as the Cabinet's decision has been taken. Advice was confused with consultation.

The parallel between the Empire and Chanak in 1922 and the Empire and Abyssinia in 1935 was emphasised in the British Cabinet Debate on 2 December. The Prime Minister grasped the nettle when he stated:

...it was this country that would have to withstand the first shock of an Italian forcible reaction to sanctions.

It was left unstated, but was implicit in the comments of several members of Cabinet, that 'this country' also included the Empire. Although the situation in 1935 differed in some respects from that of 1922, still, Australia was tied closely to British policy by the bonds of sentiment and naval involvement. In both cases the Empire was taken a considerable distance toward war by the unilateral action of the British Cabinet. As in 1914 and 1922, Dominion representatives had been briefed in

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46 Prem 1/197.
47 Cab 23/82, 50th Meeting Cabinet, 2 December 1935. Emphasis is the author's.
48 Ibid. This was not an original revelation. In response to pressure, in 1931, from the League of Nations Union to convoke the Assembly of the League and apply sanctions against Japan over its Manchurian intervention, the Chiefs of Staff advised that 'such action might result in a resort to force by Japan and that the brunt of a war must fall on the British Empire'. COS 295, Cab 53/22.
aspects of the general situation, but they had no part in the discussion within the British Cabinet which initiated action. Bruce's words in 1923:

The Empire went to war in August 1914 without warning and without consultation with the Dominions 49 were ironic in terms of December 1935. Even more ironic was his reference, in the same speech, to Chanak as a situation that:

should never have arisen, and it is one that we should take all pains to prevent from arising in the future.50

At that time Bruce had seen clearly the implications of British commitment outside the Empire.

It was ironic also that the Lyons Government's policy expressed in the Australian Parliament and before the League was more bellicose than the British Cabinet's private policy, though it was not out of tune with Hoare's speech to the League on 11 September 1935. The Attorney General, Mr R. G. Menzies, introducing a Bill to empower the Government to enforce sanctions against Italy into the Lower House on behalf of the Minister for External Affairs, Senator Pearce, echoed the righteous and loyal sentiments expressed by Hoare before the League. Menzies made support for the Bill a question of support or rejection of the League. He would allow no middle course.51 Having established the legality of the League's

50 ibid., p.1482.
51 CPD, Vol.147, p.1206ff. 'Sanctions Bill, 1935', brought down on 31 October 1935. Pearce's speech in presenting the second reading of the Bill to the Senate on 8 November was similar to that of Menzies but not identical. Both had at least been given the same notes from which to construct their speeches. Pearce quoted part of Hoare's address to the League on 11 September in his own speech. However, Pearce did not, like Menzies, make support for the Bill a vote of confidence in the League. CPD, Vol.148, p.1427ff.
decision to impose sanctions upon Italy, Menzies turned to answer criticism that 'sanctions mean war'. Conscious that Mr Blackburn (MHR for Bourke) had charged that failure to realise that such was the case was a 'symptom of intellectual obliquity', Menzies answered the criticism on the grounds:

A method of coercion which is in its nature non-violent does not assume the character of violence simply because it may, in the case of a foolish or desperate opponent, lead to acts of physical aggression on his part. The distinction would seem to be somewhat fine. A fact which Menzies perhaps realised, for he went on:

If the remote possibility of armed resistance is to deter us from taking economic measures against an aggressor, we might as well at once admit that the Covenant of the League is futile.

Menzies on sanctions appears, after the event, to be as illogical as Lyons on Dominion naval quotas (discussed above). The rationale of Menzies' statement is to be found in his opening remarks regarding the Government's 'sincere and anxious desire that the peace of this nation and of the British Empire should be preserved'. The Government was lining up to be counted with the British Cabinet's public policy as enunciated by the Secretary of State for Foreign Affairs before the League. Curtin opposed the Bill as he could not agree to action which he felt would embroil Australia in another European conflict. In his view, Australia's contribution to world peace should be distinctive. He was unable, however, to suggest ways of implementing such a distinctive policy.

The gap in Empire consultation was so great that in London Bruce embarrassed the British Cabinet by reacting strongly against the Italians. The British Government,

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52 CPD, Vol.147, p.1209.
53 Ibid., p.1210.
54 Ibid.
55 Ibid., p.1206.
56 Ibid., p.1268.
after voting in the League in favour of sanctions, (although these were delayed and applied less than efficiently), after making the necessary naval dispositions for war in Australian waters as well as in Home and Mediterranean Fleets (although the measures were kept moderately quiet), and after Hoare’s speech before the League, consulted Bruce on a set of peace proposals which Bruce regarded as making Italian aggression profitable. Small wonder Bruce should be surprised that the British Cabinet appeared to be giving in lightly. The comment in the previous Cabinet meeting that the weakness of the fleet were some of the nations supporting sanctions might show less alacrity serves to emphasise the difference between the Cabinet’s private and public face. In the juggling feat which ensued of pretending strength through an air of dignity, playing for time by piecemeal concessions, and using the time gained to rebuild the services, the fragile nature of a close relationship between Britain and Australia was bound to be compromised. For Australia and continued Australian participation in Empire defence, the tactics of the British Cabinet were to keep the Australian Government in ignorance of the real kernel of British policy. While

57 Cab 23/82, 54th Meeting Cabinet, 11 December 1935.

58 In fact, duality characterised the British position regarding the whole question of relations with Italy. It was an integral part of the so-called Stresa Front to recruit Italy in an alliance against Germany which was favoured by British officials such as Vansittart. To embitter Italy, it was argued, would wreck the front and drive Mussolini into the arms of Hitler, as in the event happened. At the same time Eden and Chamberlain both felt collective security was at stake and Italy should be made an example of as a lesson to others. As Warner has remarked: ... (the British Government) relied upon what Hoare called "the double line", a policy of "negotiation with Italy and respect for our collective obligations under the League Covenant, based on Anglo-French co-operation". Not surprisingly, it reaped the worst of both worlds. Warner, Laval, p. 99.
the Secretary of State for Dominion Affairs could report to the Cabinet after the 1937 Imperial Conference that the Dominions had 'come to trust our sincerity, decency and wisdom', the difference between the private and public face of the British Cabinet resulted in less than frank consultation.

The above discussion of the London Naval Conference of 1935/36 and of Australia's lack of influence over 'Imperial' foreign policy is not to say that, as originally conceived and in terms of the situation of the early 1920s, the limitation of Naval armaments was initially unjustified. The Washington Naval Treaty stopped an arms race in which the British Empire would have been forced to engage and which would have been economically exhausting. The question of whether the economic strain would have permanently crippled Britain or the Empire beyond the point of recovery is a question in the realm of conjecture. The policy of naval arms limitation, however, created two fundamental problems. Firstly, it was not accompanied by a limitation of arms in the other armed services of the continental powers or Japan. The resulting imbalance was not so serious for the defence of the British Isles as for the defence of British commitments in Europe and overseas. This problem of British commitments might have been overcome, however, had it not been for the second problem. The second problem was that naval arms limitation became a part of the British political tradition which was heavily biased toward the ideal of total disarmament and adherence to the League. The problem was the extent of limitation. The pendulum of public opinion in Britain had swung so far away from the horrors of 1914-18 that it was not possible to reverse the momentum fast enough to keep abreast of the changing international scene in the mid 1930s.

59 Cab 23/98, 24th Meeting Cabinet, 17 June 1937.
Related to this latter point is the British Government's disregarding of Admiralty opinion over cruiser strength at the 1930 Naval Conference in order to gain political agreements with the Powers represented at the Conference as well as alleviating the very real economic problems associated with the depression. It is too simplistic to say that money was scarce and the Government needed to cut all unnecessary expense to the bone. The formulation of any budget is an exercise in compromise. In the case in point, the defence vote was cut in terms of capital equipment and replacement programmes were severely reduced to a level seriously below what the Admiralty advised as the minimum level of safety to cover British commitments. In this case, the compromise was set too much in favour of short-term needs and too much against long-term needs. Subsequent events illustrate the problems caused thereby. Had, for example, more cruisers been available in 1935, the Chiefs of Staff might have felt able to tender different advice over war with Italy. Sufficient naval forces might also have been available to oppose the Japanese attack on Singapore and the East Indies in 1941–42. The point applies as much to Australian Governments of the time as to British Governments. The events of 1935–36 were a warning that the solutions of the depression had been applied at great cost to Empire defence.

In sum, within the same year the debilitating effects of naval arms limitation upon both the RN and RAN were extended, while Britain's naval weakness was starkly revealed to those in possession of the facts. However, the extent of the disparity between the developing international situation and the Empire's ability to meet it was camouflaged from Australian observers because of the exigencies of domestic politics in Britain.
CHAPTER ELEVEN.

REARMAMENT, A SHIFT OF EMPIRE PRIORITIES
AND THE 1937 IMPERIAL CONFERENCE

Early Australian steps toward rearmament in the 1930s were cautious and limited. Defence expenditure had not risen above £8 million since 1919 even in the best of years and financial horizons had been further contracted by the experience of the depression. Against that background, the estimates for 1936/37 appeared to be a significant step toward rearmament. Nevertheless, the Lyons Government was conscious that even the increases proposed for 1936/37 would not guarantee Australian safety and the Government was not completely unaware of the deteriorating international situation. To counteract this weakness, renewed assurances were sought from Britain, thus committing Australia more deeply to Empire defence. Increased defence expenditure in Britain was welcomed in Australia but resulted in the Australian Government failing to recognize sufficiently a shift in British strategic priorities and the limits which British planners were being forced to accept by reason of their own unpreparedness for war.

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1 Gross National Product at market prices in the period rose from £607.9 million in 1919/20 to £856.2 million in 1936/37. See Appendix I.
The primary Australian initiative within the Empire in the wake of the Abyssinian crisis was to press for limitation of Britain's commitment to Europe. This negative and somewhat naive reaction found its most coherent expression in opposition to the Locarno Pact, to which the British Government had given renewed attention in response to French pressure following remilitarization of the Rhineland. Australian pressure had only a slight effect, although it did force the British Cabinet to be careful in revealing its negotiations with France to the Dominions, who had not been parties to the Locarno Conference in 1925 and who were not signatories to the Pact. ² The British Cabinet regarded the Pact as an element of British policy in Europe and, as such, not a matter which directly concerned the Dominions. The Pact was not seen in Whitehall as competing with the Empire as a claim upon British defence resources. The contradiction between this view and Bruce's view that anything which affected one section of the Empire affected the whole had been demonstrated both in World War I and Abyssinia and was soon to be demonstrated again.

The reoccupation of the Rhineland by German military forces in March 1936 produced the very situation the Australian Government feared. At the same time, the British Cabinet was patently unwilling to extend the opportunity for Dominion representatives to be involved in the subsequent re-negotiation of arrangements for French

² The Pact was debated in the Commonwealth Parliament shortly before Bruce left for the 1926 Imperial Conference. The wisdom of Australia and the Empire becoming entangled in European guarantees was hotly debated and references were made to the system of secret alliances which was built up prior to World War I. CPD, Vol.113, p. 401 ff.
security. The Secretary of State for Dominion Affairs emphasised to Cabinet on 16 March that the Dominions had always been critics of the Pact and it was likely, 'if the commitment matured,' that an awkward situation would arise with several of the Dominions refusing to support the British position. The Cabinet finally resolved that a policy of appeasement might convince Hitler to be reasonable in return, thereby avoiding a test of Dominion loyalty.

The possibility that the Empire would be divided upon the issue exercised some restraining effect on the assumption of any wider commitment. The Dominions were, however, not the only restraining element. There was strong feeling in Britain against becoming too entangled in European affairs. In addition, the strategic problems which led the Chiefs of Staff to advise against war with Italy in 1935 were no less present in 1936. The First

3 In a Cabinet discussion to decide a plan of action for a meeting of the Locarno powers, the Secretary of State for Dominion Affairs, Malcolm MacDonald, commented on a South African request to be included:

- If he tried to comply with Mr te Water's suggestion it was not improbable that the Canadian representative, and perhaps the Irish Free State representative, would reject the invitation. He proposed, therefore, to reply that the meeting was one of the Locarno Powers and that if representatives of any other Powers were admitted, it would be necessary to open the door to all.

That argument was curiously reminiscent of the argument used over the Lausanne Conference to settle the Chanak issue. Cab 23/83, 19th Meeting Cabinet, 12 March 1936.

4 Ibid., 20th Meeting Cabinet, 16 March 1936. The contradictory outlook of the Cabinet on the need for force to back up foreign policy in general and the Locarno Pact in particular was epitomised by Chamberlain's comment that the Cabinet:

- ...had never contemplated war but merely that if all the Locarno Powers, other than Germany, stood together Herr Hitler would have to give way.

5 The extent of opposition within Britain toward continental entanglements is illustrated in A. J. P. Taylor, Beaverbrook, Chapter 14.
Lord, Sir Samuel Hoare, summed up the position succinctly later in the year when he said:

...it would be necessary to assume for a long time that we should be unprepared. This meant that our foreign policy would have to proceed very quietly.  

That point of view put a great deal of weight on the assumption that 'our foreign policy' would be allowed to proceed with convenient quietness by other Powers.

The Abyssinian crisis, followed so closely by the German remilitarization of the Rhineland, did, however, produce in Australia the realisation that rearmament could no longer be postponed. On 10 September 1936 the Federal Treasurer, Mr R. G. Casey, brought down a budget which provided for a further reduction in taxation and an increase in defence expenditure. £2,000,000 of excess revenue out of a total of £3,567,720 the previous year was to be put to a trust fund for construction under a new defence programme. Casey claimed that 'recent international events' had persuaded the Government to provide the 'highest ever' defence vote to cover...

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6 Cab 23/86, 63rd Meeting Cabinet, 4 November 1936.

7 It would be an over-simplification to see those two events as the sole stimuli to change. Rather, they added to existing stimuli to raise the pressure for rearmament above the threshold of Lyons' pacifist beliefs. Two other factors complicated the international scene and indirectly added to the pressure for rearmament. Internal dissension in Spain flared into open conflict just when sanctions against Italy were lifted. Italy and Germany supported General Franco. Russia aided the Republican Government, while Britain and France declared neutrality. The intervention of foreign Powers widened the dispute into a question of international importance but, significantly, intervention of the League was not sought. The RN became involved in defending British shipping against Italian submarines which were trying to prevent supplies reaching the Spanish Government's forces and remained committed to that role until the Nyon Conference of September 1937. Meanwhile trouble was brewing in Palestine which was to lead to a Royal Commission in July 1937 and subsequent partition of the area. The Palestinian problem, together with continued unrest in Egypt, indirectly threatened the Suez Canal and further tied up British naval resources in the Mediterranean.

8 CPD, Vol.151, p.33.
both the completion of the extant defence programme and
the commencement of a new one to run over three years.

The assumption that Australian rearmament commenced
with the 1936 budget is reasonable but needs to be
qualified in so far as it relates to naval policy. The
most unusual aspect of the budget was the provision for
the first year of the new programme to overlap the third
year of the old programme. The new naval programme
provided initially for two new sloops to be built at
Cockatoo Island Dockyard, new high angle anti-aircraft
guns and improved armour for the two 8 inch cruisers,
increased pay and expenditure on citizen forces, improved
warriage at Garden Island and further increases in oil
reserves.9 Put into tabular form the respective votes
were:10

<table>
<thead>
<tr>
<th></th>
<th>Navy</th>
<th>Army</th>
<th>Air Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old programme</td>
<td>£2,891,101</td>
<td>£2,430,799</td>
<td>£1,298,727</td>
</tr>
<tr>
<td>New programme</td>
<td>346,286</td>
<td>517,933</td>
<td>154,925</td>
</tr>
<tr>
<td>Total</td>
<td>3,237,387</td>
<td>2,948,732</td>
<td>1,443,652</td>
</tr>
</tbody>
</table>

The low figures for the first year reflect the limits
imposed on the new programme. It was approved by the ACNB
on 26 May 193611 but was not put to Parliament until
September. Even so, the Government was cautious in the
increases it was prepared to allow. The ACNB had asked
for £100,000 to begin replacing the 'S' class destroyers
which were due to be scrapped under the London Naval Treaty
of 1935 but no provision was made for that in the 1936/37
Estimates.12 As a result, the long lead times involved in

9 CAO, A981, item Imperial Relations 145A, Pt.8.
10 CPD, Vol.151, p.70.
11 CAO, CRS A2585, Naval Board, Minutes of Meeting
26 May 1936.
12 ibid., Minutes of Meeting 27 April 1936.
constructing ships and training crews meant that such additional rearmament as the Government was prepared to allow was slow to gather momentum.\textsuperscript{13}

"Casey's claim to have presented the 'highest ever' defence budget also needs to be qualified. While one accepts that parliamentary hyperbole has been made acceptable, by dint of constant use, the point should be made that equipment and manpower costs had escalated during the inter-war period. As Hasluck has shown, by 1936 maintenance of the defence establishment and existing equipment absorbed almost as much as the combined votes for maintenance and capital expansion under the Bruce-Page Government.\textsuperscript{14} While the Bruce-Page Government had provided for capital expenditure at a ratio of 2:1 compared with the provision for maintenance of establishment and equipment, the Lyons Government had spent very little on new equipment. By 1936 most of the services' equipment was old and, although the Navy was better off in this regard than the other services, heavy capital expenditure was needed to modernise it. Thus a projected increase of £1,791,986 over that of the previous year was small compared to the ground to be recovered. The figure actually spent in 1936/37 was £8,065,142 and represented 1.07 per cent of Gross National Product or 4 per cent of Public Authorized Expenditure.\textsuperscript{15} In the context of the international situation, and bearing in mind especially rapid German rearmament and the high military budgets in

\textsuperscript{13} The effects of this upon the Service will be discussed in Chapter 14.

\textsuperscript{14} Hasluck, op.cit., p.102.

\textsuperscript{15} See Appendix I.
Japan, the Lyons Government's defence policy could be aptly described as timid.\textsuperscript{16}

Details of the Government's new defence policy were outlined by the Minister for Defence, Sir Archdale Parkhill, on 5 November in a speech which became a major apologia for the Government's defence policy.\textsuperscript{17} At the outset Parkhill emphasised that the policies of the Government and Opposition were broadly similar. He referred to press comments attributed to Curtin on 5 October and to the resolution of the recent ALP Federal Conference in Adelaide which had urged that Australia should assume responsibility for her own defence. He then turned to the difference between the two parties by attacking:

	recent utterances by numbers of our citizens who have expressed opinions as to the impossibility of the British Navy helping us in the event of a European War.\textsuperscript{18}

Parkhill, like Menzies on sanctions and collective security the previous year, admitted the substance of

\textsuperscript{16} The Australian Naval Staff had detailed information on the state of Japanese naval capacity and building programmes as the ACNS was on the distribution list for the Annual Report on the Imperial Japanese Navy compiled each year by the Naval Attaché of the British Embassy in Tokyo. CAO, M1049, Series 5, item 1877/13/41. This was a large and very detailed document which included assessment of Japanese naval aviation.

\textsuperscript{17} Parkhill, Sir Robert Archdale, KCMG, 1873-1947. Secretary and Campaign Director Liberal and National Parties in N.S.W., 1903-27; MHR for Warringah, 1927-37; Minister for Home Affairs and Transport, Jan-May 1932; Minister for the Interior, May-Oct.1932; Postmaster-General, Oct.1932 - Oct. 1934; Minister for Defence, Oct.1934 until defeat in 1937 election by Spender. Created KCMG, 1934. Parkhill had been a member of George Reid's free trade party in N.S.W. before World War I and remained on the conservative side of subsequent parties. He is remembered by Mr L. Fitzhardinge as a 'King and Empire' man who was not popular in Canberra although he gained the reputation of being a good administrator as Postmaster-General. He was not possessed of great intellectual ability and it was thought that Hankoy did not have a favourable impression of Parkhill in 1934. These currents will be substantiated in L. Fitzhardinge, William Morris Morris: A Political Biography, Vol.II, which is due to be published late in 4.

\textsuperscript{18} CUL, vol.II, p.1741.
current doubts but resorted to rhetoric and sentiment rather than admit the consequences for Australia of Empire weakness. The result was a re-affirmation of faith rather than a detailed refutation of the points raised against him. 19 His statements reflect greater confidence than did assessments being made in Whitehall at the time. Unaware of their tenor, Parkhill laid stress upon a statement made by the First Sea Lord at the Naval Conference, nine months previously, to the effect that in estimating Empire requirements the Admiralty had taken each situation into account. Parkhill claimed that the statement upheld his faith in continued British determination to protect Australia.

In support of his argument he outlined Britain's other Far Eastern interests and claimed that protection of those would afford protection to Australia. 20 He did not go so far, however, as to discuss the relative priority of Far Eastern interests compared to Britain's interests in Europe, the Atlantic and the Mediterranean. In answer to the critics who queried whether British public opinion would allow the sending of a fleet to Singapore he admonished:

19 Ibid., p. 1542.

20 Ibid., p. 1544. "The United Kingdom has an immense stake in the Eastern Hemisphere, and the same strategical dispositions that cover Australia and New Zealand are also the shield for India, South Africa, the rich colonies, and the wherewithal for the Indian and South Pacific Ocean, and a vast trade."
There is nothing that can be more authoritative than the policy of the Government of the United Kingdom and its utterance upon the subject, and these are entitled to a greater degree of credence than the opinions of those in a much less favourable position to judge. 21

The subject on which Parkhill's speech most convincingly refuted his opponents was command of the sea. 22 The concept that Australia could be forced to an accommodation with a hostile Power by loss of control at sea and being invaded was one which was not often considered in Australian defence debate. Parkhill's raising of it in his speech was timely. It was unfortunate that he was not at the same time able to examine the growing assumption among Empire loyalists that Australian naval power was entirely dependent upon the fate of Singapore. Instead of examining Australian naval capacity, as distinct from British capacity and the Singapore base, Parkhill tied the bonds more tightly with an emotional outburst that:

...for Australia not to participate in Empire naval defence would be a confession of a lack of national conscience, and a reckless disregard of our interests and security. It is accordingly the policy of the Government to maintain the Royal Australian Navy at a strength which is a fair contribution to Empire naval defence. 23

21 ibid.

22 ibid. 'British sea power also ensures the safe despatch of our export trade of wool, wheat and other products to their markets at the large centres of population overseas. Exports are the means by which we pay for our imports and pay interest on our external public debt. When the national income was at the peak figure of £650,000,000 before the depression, the value of overseas trade was £290,000,000, but during the depression these figures fell to a national income of £435,000,000 and an overseas trade of £130,000,000. During the same period unemployment rose from 7 per cent to 29 per cent. The disastrous repercussions on our national economy of an entire stoppage of sea-borne trade which might be enforced by an enemy with command of the sea, will be apparent.'

23 ibid.
There was not the customary claim during this speech that Australia could not hope to defend herself on her own. However, the implication was present. The resulting formula was of Britain with its immense interests in the Eastern Hemisphere extending protection to Australia which, in return, made a 'fair' contribution in terms of naval force to the Mother Country.

Meanwhile, British planning was undergoing a fundamental shift of emphasis. In December 1936 Sir Robert Vansittart drafted a paper which reflected the change of Foreign Office thinking from assuming Japan as the chief danger to regarding Germany in that light. He noted the rise of Italy but pinned his faith on Italian fear of Hitler and British diplomatic efforts to heal the rift with Italy. His paper noted each international situation in turn, but dwelt on the growing German strength which, he felt, was a powerful attraction to other dictatorships. 24 The shift of emphasis is most clearly demonstrated by the differing constraints which the Cabinet felt necessary to accept when deciding upon reaction to two separate incidents.

The Annual Review of Imperial Defence Policy presented to the CID in February 1935 had clearly regarded Japan as the primary threat. 25 In consequence the Cabinet discussion on sanctions against Italy on 2 December 1935 had revolved about the problems which could arise vis-à-vis Japan if the RN were to be tied up in the Mediterranean. The First Lord had emphasised the fact that the situation in the Far East depended upon the Navy and the Singapore base was incomplete. Thus although it had been felt that the RN could command the Mediterranean, the risk to security in the Far East had been considered

25 Tab 2/6, 26th Meeting CID, 28 February 1935. CID Paper 11/4-5.
too great to impose sanctions on Italy. The possibility that Japan might seize the opportunity of British embroilment in Europe to extend operations in the Far East had been consistently in the minds of the Chiefs of Staff during the Abyssinian crisis.

However, on 13 October 1937, when considering the application of sanctions against Japan, the Cabinet opted for a moderate approach on the grounds that sanctions would probably cause Japanese retaliation and ‘it would not be safe to send the Fleet to the Far East with the present position in Europe.’

Before the Dominion representatives had arrived in London late in 1937 for the Imperial Conference, the experience of the Abyssinian War and the international situation in general had been distilled into two papers, one titled ‘Far East Appreciation’, the other ‘Review of Imperial Defence’. Alert Dominion readers might have noted a similar change in policy to that which had been developed by Vansittart.

The Review of Imperial Defence emerged in the CIC as Paper 1305-B, after an unusual amount of political editing. The paper was first considered by the CIC on 11 February 1937 when Chatfield, Chairman of the Chiefs of Staff Sub-Committee (COS), noted that the COS felt the draft which had been presented to them was ‘somewhat too

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26 Cab 23/82, 50th Meeting Cabinet, 2 December 1937.

27 See especially COS Paper 475 ‘Special Situation in the Far East, with Particular Reference to Hong Kong.’

28 Cab 23/88, 37th Meeting Cabinet, 13 October 1937.

A week later the Chiefs of Staff advised the Cabinet against increasing British forces in Egypt on the grounds that despatch of any forces from this country must inevitably weaken our position vis-à-vis Germany, and we have always considered that we should take no action which would result in a diversion of our limited resources from our main objective, which is the security of this country against Japanese aggression.
political in character. They therefore made some amendments 'with a view to placing greater emphasis on the military aspects of the problem'. The problem immediately arose as to whether the document was intended to be sent to the Dominions as an appreciation by the COS, in which case it could be treated as a military appreciation, or as a CID paper, in which case the military appreciation should be qualified by other factors. The issue highlighted the conflict between the service chiefs and the political leaders and is graphic illustration of the way in which the CID was used by Cabinet to modify service advice to a form palatable to Dominion leaders.

Chamberlain summed up the attitude of the political leaders:

As a general comment he thought that the whole tone of the Report was unduly pessimistic; it was undesirable to paint too black a picture for the Dominions.

The Report was sent back to the COS with the request that it be reconsidered 'in the light of the discussion that had taken place'.

Much of the reconsideration requested by the political appointees to the CID resulted from the desire to avoid problems arising at the Imperial Conference. As a result, the COS appreciation of risks to Imperial defence as a result of membership of the League was played down, the ability to build to the Admiralty's 'New Standard' of naval strength was screened, problems of using Irish ports were omitted, and the seriousness of German re-armament was re-phrased to avoid criticism from South Africa. Had the preparation of the Review not been such a formal process, Australia might have been privy to the unexpurgated views of the Chiefs of Staff by reason of

29 Cab 2/6, 288th Meeting CID, 11 February 1937.

30 ibid.
naval cooperation and the position of Bruce. As it was, British advice to Australia was restricted because the Review was to be issued to each Dominion and it would have been obviously problematical to publish separate documents. Australian cooperation in Empire defence was again offset by the lowest common denominator effect of the Imperial Conference.

The Review was re-submitted to the CID on 22 February 1927. Amendments of the COS were agreed to and items such as 'our Empire' were polished to read 'the Empire'. The CID then passed the Review 'as a military review applicable to the international situation as it exists today'. Allowance for the internal politics of the CID was not made in Australia and Australian advisers prepared for the Imperial Conference, basing their assumptions upon a document which was not an unexpurgated review of British service opinion but rather service opinion tailored to fit the needs of the British Cabinet. Even so, the Review as distributed to the Dominions in preparation for the Imperial Conference noted the growth of Hitler's power in Germany since its predecessor in 1935 and concentrated the bulk of its consideration upon the European situation.

The 'Far East Appreciation' was compiled by the Joint Planning Sub-Committee under the auspices of the COS and did not run the same gauntlet in the CID as did the 'Review of Imperial Defence' possibly because defence of Far Eastern interests was not such a sensitive issue to British leaders. Instead it was vetted by the newly formed Defence Plans (Policy) Sub-Committee on 13 July 1937 and passed without revision. The Appreciation, which was

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31 Cab 2/6, 289th Meeting CID, 22 February 1937.
32 Cab 53/80, COS Paper 560, 'Review of Imperial Defence'. The 1933 and 1935 Annual Reviews had both viewed the Far East and defence of India against Soviet aggression as more important considerations than European commitments.
33 Cab 16/181, DP(P) 3rd Meeting, 13 July 1937. This Sub-Committee had been set up by Cabinet with the agreement of the CID to become a War Cabinet at the outbreak of war. See Cab 2/6, 288th Meeting CID, 11 February 1937.
issued as DP(F) 5, was based on the assumption of war with Japan alone. It considered Empire defences in the Far East in detail, assessed probable Japanese objectives, included the possibility of Japanese hostility when Britain was at war with (i) Germany, and (ii) Russia and Italy. The modified conclusion was that with Germany and Italy both hostile the RN would be just able to send a fleet to Singapore capable of defeating the Japanese Navy, whilst maintaining a fleet in Home Waters sufficient to meet the needs of defence against Germany, assuming that the French Navy could neutralise the Italian fleet in the Mediterranean. The intervention of Italy, it was admitted, would cause acute problems. At this point the later notorious formula was enunciated that in the event of a serious threat to Australia or New Zealand 'no anxieties connected with our interests in the Mediterranean can be allowed to interfere with the despatch of a Fleet to the Far East.' 34

Two points should be noted regarding the 'Far East Appreciation'. Firstly, in treating the Far East largely in vacuo, its conclusions were not wholly representative of considered British opinion. For instance, Chatfield had previously admitted to the COS that 'Japan was very unlikely to go to war with us, unless the United Kingdom was already involved in Europe'. 35 Secondly, although reliance upon the French Navy was a key factor in the Admiralty's naval balance, no detailed assessment was made in the 'Far East Appreciation' of the adequacy of France to fulfil the role assigned to it.

When both the above documents were taken in conjunction, it is not difficult to see why the Australian delegation to the Imperial Conference found it hard to realise the full extent of the change in British defence policy. The

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34 COS Paper 590, p.79. Also DP(F) 5.
35 COS Paper 209, p.5.
change was obvious to British leaders, especially in view of the attention being given to the RAF and the anti-aircraft defences of the major British cities. However, it was not widely discussed, even within Whitehall, mostly for fear of creating an unfortunate reaction from the electorate, but also for fear of reducing Dominion support for Empire defence.

The 1937 Imperial Conference which was arranged for June and July of 1937 was seen by the British Cabinet as an opportunity to overcome the divisions which had grown up within the Empire. Foreign policy and Empire defence were seen as the two most important aspects of the Conference and it is indicative of British dominance that the Conference took the form of a briefing rather than having an initiatory role. On 17 June the Secretary of State for Dominion Affairs, reporting to Cabinet on the early sessions of the Conference, stated that the United Kingdom delegation had entered the Conference with the idea of restoring Empire cooperation to prominence in the eyes of other countries. He felt that this aim had been achieved and that within the Empire 'the principle of cooperation' had been somewhat reasserted. The new Prime Minister, Neville Chamberlain, concurred with that assessment, and felt:

36 Cab 23/88, 24th Meeting Cabinet, 17 June 1937.

His comments upon the attitudes of each of the Dominion delegates are a useful indication of the way in which the Empire was viewed from Whitehall. Early in the Conference the Canadian Prime Minister had 'spoken in a slightly isolationist spirit', the Prime Minister of New Zealand had made a 'polite but rather comprehensive attack on the United Kingdom foreign policy', the South Africans had put the view that the British Government's 'attitude toward the French was too warm and towards the Germans too cold', and 'even the Australian Delegation had rather criticised our opposition to Anschluss'. The use of the word 'even' is indicative of British perceptions of the Australian role during the period. The Dominions Secretary felt the Conference had been effective in winning Empire confidence to 'trust in our sincerity, decency and wisdom', and commented, 'The Australian Prime Minister, of course, had never expressed any doubts.' He concluded:

No doubt we should have our difficulties with the Dominions in the future, but the Conference had been a great stride forward in the direction of unity.
the personal relations established should prove of incalculable value in the future. The Cabinet could be sure that every question that was brought before the Dominions would be examined with a desire to reach agreement. These impressions, together with the very elaborate preparations made under Hankey's guidance, leave no doubt that the British Cabinet had been worried about the state of Empire relations and were very concerned to increase Dominion support for Britain.

The formal sessions of the Imperial Conference arc of less importance for a study of naval policy than the ad hoc meetings of service advisers and delegates. The detailed work of both the Australian and New Zealand delegations was conducted at these ancillary meetings. In anticipation of this situation the British Government had set up several sub-committees under the chairmanship of Hankey to prepare for the conference. Hankey was anxious that defence and foreign policy matters should be taken seriously and to this end had invited the Dominions to submit details of the matters which they desired to discuss. Hankey and the British Government in general were aware of the pressure for local defence especially in Australia. Careful attention was therefore paid to ensuring that the Conference saw preparations for Empire defence in

37 ibid.

38 Cab 16/153, Imperial Conference Sub-Committee (Foreign Policy and Defence). Hankey saw no harm in the Battleship/Bomb controversy being discussed if necessary since the issue had largely been settled in Britain. The New Zealand Government, which had previously made proposals for increasing their air force at the expense of their naval division, had deferred to the British view and decided to strengthen their contribution to Empire defence. In Australia a request to the Department of Defence from the Prime Minister's Department for a list of agenda items to be submitted to Hankey's committee was refused initially until the Department of Defence was assured that the matters to be raised would not be distributed to the other Dominions.

CHQ, CRS A461, C126/1/4.
their most favourable light. Thus the discussions which Parkhill and his advisers held with service officials in Britain were pre-determined in the direction which British service leaders wished them to take. In the view of the First Lord, Hoare:

it was of first importance that we should not adopt a negative attitude, i.e. we should not say that it was impossible for the Navy to implement our policy in the Far East, since that would almost inevitably lead to the Dominions abandoning the idea of Imperial Defence and concentrating on local defence measures. It would be equally wrong to let the Dominions think that there was no question of our ability to defend our interests in the Far East, irrespective of their cooperation, since that would also lead to their contenting themselves with local defence measures. In fact, our policy should be, to some extent, to leave them guessing.

Hoare admitted he would have to tell the Dominion representatives that, although the British Government had built and equipped Singapore 'at vast expense' and it was the British intention to maintain their position in the Pacific, at the present time the fleet could not fight simultaneously in the Far East and the West. The new building programme was intended to rectify that situation but it was also incumbent on the Dominions chiefly

39 Awareness of the pressure for local defence in Australia is indicated by a statement by the First Lord to the Defence Plans (Policy) Sub-Committee during a debate on the Admiralty building programme. Hoare commented:

There was much anxiety in the Dominions about the position, and doubts had been expressed as to whether the fleet was strong enough to operate in the Far East as well as in European waters. The effects of such doubts were objectionable, for, if the Dominions felt that we could not give them effective assistance, there was the danger they would concentrate on local defence in preference to Imperial Defence. That these doubts were widely held had been stressed by Sir Archdale Parkhill in a conversation which he had had with him.

40 Cab 16/181, 2nd Meeting Defence Plans (Policy) Sub-Committee, 11 May 1937.

41 ibid.
concerned to contribute to increased naval strength. While such may have been Hoare's intention, when faced during the Conference with the doubts expressed by Dominion representatives, he was forced into a position of emphasising British strength, rather than admitting the weaknesses. He was not able to recover the balance of his emphasis and convey the position he outlined to the Defence Plans (Policy) Sub-Committee and so the Australian delegation returned home, still unaware of the real but private fears of the First Lord.

The Australian delegate, Sir Archdale Parkhill, with Mr F. G. Shedden and Vice Admiral Hyde as advisers, had several meetings with British service chiefs to deal with the wide range of questions submitted by the Australian Government. Three of the meetings were of particular relevance to the development of Australian naval policy. Notes of discussion at the three meetings indicate Parkhill being somewhat of an embarrassment by asking for advice on questions which the British officials felt should have been decided in Australia.42 The impression gained from the documents is of Parkhill wishing to be reassured on matters of detail as well as of principle. He does not

42 At a private meeting with the Board of Admiralty, Chatfield replied in answer to a question from Parkhill seeking his advice about the best type of ships for the RAN: 'In his view it was impossible to get the best advice for Australia unless the knowledge of local conditions, which could only be found in the proper authorities in Australia, were added to the experience possessed by the Admiralty in England.' Without saying as much, Chatfield was telling Parkhill to listen to the advice of his Naval Board. Parkhill failed to discern Chatfield's rebuke as he replied 'that for his part he hoped that the Admiralty would never hesitate to advise on any naval matter connected with Australia, and would not wait to be asked for advice. Australia would always be very glad to have it'. Adm 1/9134. Chatfield's advice closely accorded with criticism at the first meeting of the resuscitated Council of Defence when, commenting on Hankey's advice, Lavarack said 'the Australian Government should decide for itself what forces it should raise, and do so on the advice of its own authorities who have studied the local problem in detail, and are competent to give an opinion'. CAO, CRS AA 1971/216, Minutes Council of Defence, 19 June 1935. Major General J.D. Lavarack was Chief of the Australian General Staff at the time.
appear to have been in a frame of mind conducive to searching out the distortions in the strategic appreciation caused by political considerations in Britain. Nor was he likely to have probed the shortcomings in the Empire's capacity to protect Australian interests. Of the capacity of Parkhill's advisers, Shedden's attachment to Hankey and Empire defence has already been commented upon 43 and Hyde was in failing health. 44

On 1 June Parkhill, together with the New Zealand Prime Minister, Savage, and Minister for Finance, Nash, met with the Chiefs of Staff and the Secretary of State for Dominion Affairs to discuss Pacific defence questions which seemed to arise from the 'Far East Appreciation' and the 'Review of Imperial Defence'. Also present was the Director of Plans, Captain T. V. S. Phillips, for whom the discussion was to be fateful, though he could not have known it at the time. The Dominion delegates were given a brief outline of the fourfold responsibilities of Empire defence: firstly, defence of Britain for, if Britain fell, the Empire would also fall; secondly, maintenance of the British position in the Mediterranean, though with the qualification that 'no anxieties or risks' there would deter Britain from covering a serious threat.

43 Defence Department wits referred to Shedden as 'the pocket Hankey'.

44 Hyde was a sick man at this time. He died in office on 28 July 1937. Antipathy between Hyde and Parkhill was a well known fact in Canberra by 1937 and his tenure as First Naval Member was not a happy one. Peakes notes: Hyde should have been the ideal First Naval Member. In a period of intense international doubt and uncertainty, he would have been the ideal naval adviser to a government alert and alive to its duty to the people and the country... Strong in character, an excellent seaman, a sound organizer, his one handicap was not unusual in the individualist long accustomed to use of autocratic power. He was totally unable to tolerate any difference of opinion from that strongly held by himself. To any differences expressed his immediate reaction was suspicion of motive. *White Ensign*, p. 222.
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*White Ensign*, p. 222.
to Australasia; thirdly, defence of Dominions and Colonies; and fourthly, defence of lines of communications. In view of Britain's traditional dependence upon her lines of communication for survival, the fourth point ought to have been subsumed into the first, or, at least, noted second. In attempting to avoid placing the Dominions and Colonies last the British officials dissembled the traditional and justifiable order of British priorities. European war, the delegates were reminded, would be one of total involvement, an Asian war would be primarily one of naval pressure against Japanese trade. Japanese aims were not discussed. The basis of British policy was the 'establishment of our fleet at Singapore at the earliest possible moment after the outbreak of hostilities' and the Chiefs of Staff were aware of the need to move:

[Military] reinforcement to Singapore as early as possible before the Japanese come in against us as well. It might be difficult to move such reinforcements later on.46

A prophetic statement. It is interesting to note the Whitehall-centred view of a Far Eastern war illustrated in the assumption that a British war of naval pressure would be a sufficient response. The fact that the Japanese might treat the Far Eastern theatre as one of total involvement, with all the consequences that strategy held for Australia and New Zealand, was not examined.

In response to questions from the Dominion delegates the Chiefs of Staff admitted that their calculations of the period before relief made no allowance for a delay in

45 Cab 53/7, 209th Meeting COS, 1 June 1937. The position in the Mediterranean was qualified to the extent of admitting, 'In certain circumstances Cyprus and Malta might have to be allowed to fall but the position in Egypt would be reinforced by other routes.' The Dominion Ministers were told that they could not take the 'Far East Appreciation' out of Britain when the Conference ended.

46 ibid.
giving orders for the fleet to sail due to political or other factors. They also admitted that the composition of the fleet depended upon the state of the Admiralty's building programme. The period from Summer 1938 to Summer 1939 was seen as being the most critical, with two capital ships laid up for modernization. However, the Chiefs of Staff repeated their earlier statement that it was British policy to get the Fleet to Singapore as soon as possible after the outbreak of war with Japan. The First Sea Lord assured

The Australian delegation was given a list containing the number and types which the Admiralty proposed to send to Singapore as follows:

**Heavy Ship Strength available to meet the German Fleet and nine modernised Japanese heavy ships.**

<table>
<thead>
<tr>
<th>Period</th>
<th>German Fleet</th>
<th>Our Fleet at Home</th>
<th>Out of Action (modernising)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 1937 to Spring 1938</td>
<td>3 Deutschlands</td>
<td>Hood, Repulse</td>
<td>2 Nelsons, Warspite (fully modernised)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Malaya, Royal Oak (partly modernised)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Barham</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4 Revenges (unmodernised)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Renown Queen Elizabeth</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total: 10 ships</td>
</tr>
<tr>
<td>Spring 1938 to Summer 1939</td>
<td>3 Deutschlands</td>
<td>Hood, Repulse</td>
<td>2 Nelsons, Warspite, Royal Oak, Queen Elizabeth</td>
</tr>
<tr>
<td></td>
<td>2 Scharnhorst</td>
<td>Malaya, Barham</td>
<td>4 Revenges</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Renown Queen Elizabeth</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total: 8 ships</td>
</tr>
<tr>
<td>Summer 1939 to Spring 1940</td>
<td>3 Deutschlands</td>
<td>Hood, Repulse</td>
<td>3 Warspites, Malaya, Royal Oak</td>
</tr>
<tr>
<td></td>
<td>2 Scharnhorst</td>
<td>Barham</td>
<td>4 Revenges</td>
</tr>
<tr>
<td></td>
<td>2 35,000 ton battleships*</td>
<td></td>
<td>Renown 2 Nelsons, Barham</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4 Revenges</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total: 10 ships</td>
</tr>
</tbody>
</table>

*1 at the end of 1939; 1 in the Spring of 1940. This table was made available to the Council of Defence. CAO, CMS NA 1971/216, item 4/1937.
the delegates that the RN was more efficient than the Japanese navy and so a slight inferiority in numbers of ships was not to be regarded as serious. Savage asked why it was not possible to keep the fleet at Singapore in peace-time and was informed:

We must have a fleet at home ready for a European war, which might break out more suddenly than any war in the Pacific. Moreover, the general public might not look at all favourably on the permanent retention of their Navy at such a distance from home waters, and there would be certain [to] be an outcry if the majority of our capital ships were in the Far East when a European war broke out.48

This was not a new revelation. It was a repetition of policy which had been enunciated since 1924. At that time, however, a European war had been a remote possibility. The statement tended to confirm the criticism which Bruche and Lavarack had made of Empire defence in 1935 as a result of Hankey's report. Its effect upon Parkhill was unsettling and he subsequently sought a further meeting to discuss the matter. The Chiefs of Staff also raised the possibility of Australia acquiring a capital ship but discussion was inconclusive.

The second meeting, held on 17 June in the First Lord's room at the Admiralty, was attended by Parkhill and Shedden on the Australian side and the Board of Admiralty plus supernumeraries on the Admiralty side. Hyde's absence was intentional as Parkhill wished to raise with the Admiralty the question of Hyde's tenure and Hyde's opposition to the appointment of the present Director of Engineering, Engineer Rear Admiral McNeil, as Second Naval Member. Hyde had threatened resignation if McNeil was appointed and Parkhill

48 Ibid. It was also felt that the sending of a fleet at the time would constitute a diplomatic challenge to Japan. The statement is interesting in its use of the word 'home' - common parlance at the time which emphasises the way in which the Empire relationship was viewed - and its use of the term 'their' in reference to the RN and the 'general public' - a reminder that defence of Britain was still the RN's prime responsibility.
wished to avoid a public scandal. At the same time, he
was not prepared to extend Hyde's appointment further.
Parkhill's concern at the state of relations between
members of the Naval Board led him to emphasise, in
relation to the appointment of future First Naval Members,
the need for:

outstanding men with some years of service
ahead and prospects of advancement, [and]
that outstanding service rendered by RN
officers in these posts should be noted for
acknowledgment in the honours and
promotion lists.49

The Australian Government's consistently unfortunate
record of dealing with senior officers on loan appears to
have been overlooked. The Australian inference seems to
have been that the Admiralty were not exerting themselves
to send men of sufficient talent.

However, the point of the Australian Government's
record was not lost on the Admiralty. From their notes
prepared in anticipation of the meeting on 17 June it is
clear that the Admiralty suspected the Australian
Government of also wishing to have them find a way to

49 Adm 1/9134. After discussing the position of First
Naval Member at some length, Chatfield advised 'the
proper person to decide how long an Officer should hold
the post is the Minister for Defence, preferably with
the assistance of the Prime Minister, as is the practice
in this country. Their decision should be final, though
the views of the holder of the post would, of course,
first be heard and given due weight'. In the privacy of
the First Lord's room, Parkhill was again having it
suggested to him that, in defence administration, the
Australian Government should exercise more self-
reliance than it was currently exhibiting.
be rid of the current RACAS, Rear Admiral Lane Poole. Lane Poole’s position was discussed at some length, with the Admiralty holding the view that as no charges had been laid against him he could not be dismissed. Here the unhappy state of relations between Hyde and Parkhill was revealed. The ACNB had expressed an official view that Lane Poole should no longer be retained in command. At the time, the Board consisted of Hyde, Captain G. P. Thomson, RN, as Second Naval Member, and Mr T. L. Thomas as Finance Member. The matter was referred politely back to Parkhill with the suggestion that he personally should conduct an enquiry. The Admiralty felt strongly that Lane Poole should be given an opportunity to answer accusations made against him before the Minister in the presence of the ACNB. The meeting concluded with the matter unresolved.

The third and perhaps most significant meeting was held on 21 June. It was convened at Parkhill’s request to reassure his doubts which still remained in regard to Singapore. It was a private meeting attended only by the

50 Lane Poole, Rear Admiral R. H. O. Born 1883. Commanded HMS Cambrian, 1927-29; RN College, Greenwich, 1929-31; Commodore Commanding South American Division, 1932-33; Commodore Devonport, 1934-35; RACAS, 1936-38; promoted Vice Admiral and retired 1939. OBE, 1919; CB, 1936. In June 1936 the Sydney press featured reports of unrest among the crews of HMA Ships Australia and Sydney over conditions of service in the Mediterranean where they were serving with the RN. The reports embarrassed the Government. In January 1937 reports appeared in the Sydney press of unrest among HMA Squadron because of strict discipline. The following month Smith’s Weekly asserted that RACAS was landing liquor at Jervis Bay without paying duty. The Telegraph and Sun both published editorials on the subject and further comments were made regarding unrest among the Squadron. Lane Poole protested his innocence to the ACNB and claimed that the Smith’s Weekly reporter had spent some time in Jervis Bay plying young libertines with liquor with the object of obtaining unguarded and damaging comment. The Government was highly embarrassed but, apart from Parkhill corresponding with newspaper proprietors and denying the truth of the reports to Parliament, the Government gave Lane Poole little support. The impression given by the documents is of the press taking the matter out of context and using it to their own ends. CAO, W981/1, item 564/201/161.
three Chiefs of Staff, Hankey, Sir Thomas Inskip (the
Minister for Defence Coordination), and Parkhill.
Parkhill accepted the possibility of longer delays in
the Fleet's despatch than had previously been considered,
a figure of three to six months being mentioned. He now
wished to be assured that Singapore could resist capture
in the event of the Fleet being so delayed. He was assured
by Field Marshal Sir Cyril Everell that the fortress
'could hold out for much longer than the actual period for
which reserves of stores were maintained'. Everell
commented that a study of history indicated fortresses
invariably held out longer than expected. The term
'fortress' was used several times. Parkhill gave some
indication of the central importance of Singapore in his
own thinking and the pressure he felt against his policy
when he commented that, if Singapore were to fall after
seventy days, Australia might as well save money on the Navy
and spend resources on the Army and Air Force. Hankey
assured him a 'huge scheme of defence is being carried
through including the provision of 15 inch guns' and
stressed that the whole of Britain's Far East defence policy
was that Singapore would hold out. Chatfield assured
Parkhill of Singapore's ability to resist attack from the
sea. Nothing was said about invasion of Malaya. Parkhill
repeated his point about the pressure in Australia to
concentrate spending on the Army and the Air Force and
emphasised two current doubts; firstly, that the Fleet would
not be sent at all, and secondly, that Singapore would fall
before the Fleet arrived. 51 Parkhill admitted that to his

51 Parkhill's questions on this occasion were almost
identical to the questions raised by Lavarack at the 19 June
1935 meeting of the Council of Defence. On that occasion
Parkhill had refused to countenance debate upon the
questions on the grounds that they were of 'a highly
political nature' and had implications bearing upon the
'fundamental basis of Australian Defence Policy'.
Parkhill's attitude on 19 June 1935 left no doubt that he
regarded the Council of Defence as a body which should deal
with the implementation of Imperial policy and not with
questions affecting the bases of that policy.
mind the first doubt had been assuaged by the 'Far East
Appreciation'. On the second doubt Chatfield, Deverell
and Inskip all categorically assured Parkhill that it was
British policy to defend Singapore so that it would hold
out until the Fleet arrived. Parkhill pronounced himself
satisfied.52

The assurances given to Parkhill by Hankey, Inskip
and the Chiefs of Staff at the latter meeting were
injudiciously optimistic rather than disingenuous, based as
they were on the hope of rapprochement with Italy. However,
it was upon those assurances that Parkhill allowed
Australian adherence to Empire defence to continue as his
Government's accepted defence policy. This advice
consequently had a considerable effect upon the Australian
Government's determination of the rate and extent of
rearmament.

52 Cab 53/7, 212th Meeting COS, 21 June 1937.
CHAPTER TWELVE

WEAKNESSES IN EMPIRE DEFENCE, 1937 TO 1938

During the fifteen months between the 1937 Imperial Conference and the Munich crisis of September 1938 the Lyons Government accelerated rearmament and became increasingly concerned about Britain’s ability to send a fleet to Singapore. At the same time, the Admiralty had come to terms with its limited strength but was unsuccessful in persuading the Chamberlain Government to build up sufficient strength to cover Britain’s main naval responsibilities. The disparity between promise and preparations in Britain did not become obvious to the Australian Government until late 1938. Even then, full realization of the extent of the disparity was hampered by British dissembling and local unwillingness to admit the extent of Australia’s vulnerability.

In the revived Council of Defence there was increasing criticism of the basis of Australian
policy. The first meeting after the Imperial Conference, held on 17 December 1937, was hampered by the absence of Parkhill, who had been defeated at the General Election in October 1937, and the meeting was confined to considering a paper titled 'Imperial Conference 1937 - Questions raised by the Australian Delegation on Empire and Australian Defence Policy and the Answers thereto'. The paper quoted extensively from the documents distributed at the Conference and was otherwise made up of the formal answers supplied by Hankey's committees. In Parkhill's absence no report was made of the private meetings. The new

Meetings of the revived Council of Defence were held on:
19 June 1935 13 July 1938
24 August 1936 26 August 1938
17 December 1937 25 January 1939
24 February 1938 5 July 1939
18 March 1938

The membership of the reconstituted Council was:

Acting Prime Minister, Dr Earle Page
Minister for External Affairs, Senator Sir George Pearce
Minister for Defence, Mr Archdale Parkhill
Acting Treasurer, Mr R. G. Casey
Chief of the Naval Staff, Vice Admiral Sir George Hyde
RACAS, Rear Admiral Sir Randle Ford
CGS, Major General J. D. Lavarack
General Sir Harry Chauvel
Major General Sir Brudenell White
Major General Sir Thomas Blamey
CAS, Air Vice Marshal R. Williams
Controller of Munition Supplies, Mr A. E. Leighton
Secretary to the Treasury, Mr H. J. Sheehan
Secretary to the Council, Mr M. L. Shepherd

Chauvel, White and Blamey were invited to join the Council in 1935 and remained members until 1939.

2 Parkhill was defeated for the seat of Warringah by P. A. Spender. Defence policy was one of the planks of Spender's platform and he was critical of the Government. However, Spender admits that the campaign was a close one and highlighted Parkhill's mistake in making personal attacks on Spender. Politics and a Man, p. 6-8. Hasluck contends that the overall result of the election endorsed the policy of the Lyons Government. op.cit., p.72. McCarthy emphasises the internal problems of the U.A.P. at the time. 'The ALP and the Armed Services', Labour History, No.25, November 1973, p.64, fn 38.

Minister for Defence, H. V. C. Thorby,\textsuperscript{4} limited his participation to consideration of the above paper. Discussion revolved around the COS statement that Australia should continue:

\begin{quote}
    a blending of Empire Defence and Local Defence on the lines of her present policy. \textsuperscript{5}
\end{quote}

Supporters of increased strength for the Army and Air Force were hostile to the British advice and to Lyons' view, stated the previous August on his return from the Conference, that the Navy would be kept at a strength which was an 'effective and fair contribution to Empire naval defence'.\textsuperscript{6} At the end of the meeting Casey requested that a full statement be prepared for the next meeting.

\textsuperscript{4} Thorby, H. V. C. Born 1888, Sydney; educated Sydney Grammar; MLA, 1922; held several portfolios in NSW Government; MHR for Calare 1931-1940; held several junior portfolios; Member Ministerial Delegation to England, 1935; Acting Minister for Defence, March-July 1937; Minister for Defence, November 1937-November 1938; Deputy Leader of Aust. Country Party, 1937-1940.

\textsuperscript{5} CAO, CRS AA 1971/216 Council of Defence, Minutes of Meeting 17 December 1937.

\textsuperscript{6} CPD, Vol.154, p.29. The argument of 'effective and fair contribution to Empire naval defence' was a debating artifice which was rarely defined by its proponents. The question of whether the RAN's contribution was 'effective' could only be tested by war. The question of what was 'fair' was really a question of what Australia could provide as a minimum without jeopardizing the relationship. The minimal contribution made by Australia to Empire naval defence is indicated by the contrast in naval spending the previous year between Britain at £1.14.0 per head and Australia at 10/- per head of population. If one values 'fair' in terms of the insurance policy argument, which was a popular analogy used at the time to discuss defence, the disparity of Australian spending is marked. On an overseas trade valued at £250,000,000 the previous year, Australia spent £3,427,668 on naval defence - a premium of 1.4 per cent on value covered. A ship-owner would expect to pay 5 per cent on value covered. On a hull policy and freight premium on value covered would have been of a comparable order in peace time. Both hull and freight policies would attract an additional premium of upwards of 20 per cent of value covered to include cover against war or hostile action, depending on Government pressure to the contrary.
by each of the services outlining the relation of service strengths to levels laid down in Government policy. At the same time an injunction was given that service criticism in public of the Government was to cease.\(^7\)

Casey's request for a detailed review of defence capacity resulted in evidence being produced at the following meeting of the Council which finally introduced some sense of urgency into the Government's plans. Hughes, Thorby and Casey were highly critical of the service statements. In a withering attack upon the Defence Department Casey pointed out:

He had repeatedly asked questions of the same nature as had now been replied to, and had been given a definite assurance that the position was quite satisfactory and that our defence organization was proceeding on sound lines. He noted that it was reflected in the statements in the Agenda that the present shortages in the defence organization were due to the fact that money had not been forthcoming adequately to finance defence preparations that were necessary to give effect to the Government Policy. He wished to state most emphatically that this was not due to any fault of the Government and to place on record that when Budgets during the past three to four years were being framed, provision had been made by him, as Treasurer, for the full requirements of the Defence Department, as placed before him.\(^8\)

In one sense, Casey's criticism was valid. The sufficiency of Australia’s naval defence had been questioned from time to time on the Defence Committee, in public and at Imperial Conferences and the reply Casey indicated had been common. Senior British naval officers on loan for short terms in

\(^7\) This injunction probably resulted from criticism of the Government's policy by Major General Gordon Bennett in a series of articles during December 1937 in the Sydney Morning Herald. See Spender, Politics, p.9.

\(^8\) Casey's comments were not refuted by Thorby who replied that:

Any mistakes that had been made in the past by diverting money to channels of secondary importance would not be permitted to recur.

Australia tended to stress the strengths rather than the weaknesses of established Empire defence policy when questioned in an atmosphere of implied criticism by the adherents of local defence.

In a more important sense, Casey's criticism was not valid. Financial considerations had been the primary element restraining Australian naval policy since 1919 and the ACNB had consistently asked for more than it was given. Furthermore, the most important defence-finance mechanism of the inter-war years, the rolling ten year rule, had an effect upon service outlook which went far beyond its financial scope, in both Britain and Australia. In the first half of 1938 some Australian Ministers seemed to be receptive to the possibility of a substantial increase in defence spending. The Chief of the Naval Staff, Vice Admiral Sir Ragnar Colvin, 9 failed to take the Treasurer at his word that finance would be provided for defence requirements. In advising against the acquisition of a capital ship and five escorting destroyers, as will be seen below, Colvin seems to have rejected the Treasurer's offer to provide extra finance, mainly because of problems which the RAN would face in manning the ships. Instead Colvin renewed the ACNB's request for

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9 Colvin, Sir Ragnar Musgrave. Served in Grand Fleet, 1914-18; Captain 1917; Assistant Director, Plans Division, Naval Staff, 1918-19; Mediterranean and Black Sea, 1919-21; Naval Attaché, 1922-24; Rear Admiral, 1929; Chief of Staff Home Fleet, 1930-32; Rear Admiral Second Battle Squadron, 1932-33; Rear Admiral Commanding RN war College, 1934-37; First Naval Member, ACNB, 1937-41; Admiral, 1939; Retired List, 1942. Created CBE, 1919; CB, 1932; KBE, 1937.
two cruisers, two sloops and port defence equipment. At this time Casey was more imbued with a sense of urgency than Colvin.

Casey's enquiry revealed anomalies in purchasing policy and delays in delivery. Coastal artillery was without sighting gear, harbour defences lacked anti-submarine nets, reserves of ammunition were sufficient for 'a few months' and had been decreasing in the last two years, and reserves of fighting equipment were not sufficient to equip the expanded forces envisaged after mobilization. The Treasury, Casey said, had examined the financial requirement of setting the defence forces to a standard consistent with Government policy and was prepared to provide the necessary funds, even if that involved additional taxation.

The problem of overseas delays, however, was one which could not be solved by a sudden injection of capital into the defence forces. Hughes insisted that the British authorities should have representations made to them to hasten delivery of the equipment ordered in Britain for all the services. Colvin, Thorby and the Chief of the Air Staff, Air Vice Marshal Williams, all drew attention to the heavy commitments of British defence industry, but Lyons agreed that a general request could be made. The delays in delivery aroused considerable comment and resulted in the Council recommending only the expansion of organizations and the purchase of such equipment as could be obtained by 30 June 1939. The situation was felt to be so urgent that any equipment with a longer lead time would tie up
resources in a wastefully unproductive fashion. The June 1939 criterion became the major policy decision of the Council in this period. The Government's defence policy was thus determined not so much by strategic requirements as by the short-term availability of equipment. That situation was to continue beyond the time period of this thesis.

Two major rearmament measures for the Navy came within the scope of the 30 June 1939 criterion. The ACNB proposed that an additional two cruisers be added to strength by purchasing two 6 inch cruisers from the Admiralty. Colvin had been advised by the Admiralty that £1 3/4 million would be considered a reasonable price (as distinct from £3 million new) and urged that the Government come to an early decision about purchasing one immediately. The Admiralty, he noted, 'would probably wish to lay down a new cruiser' and the other signatories of the London Naval Treaty would have to be advised. The cruiser so purchased would replace Adelaide which was laid up out of commission. The proposal illustrates the close informal links between Admiralty and ACNB which extended Admiralty influence into the Australian Council of Defence. It again illustrates the way in which the Admiralty used the RAN to their own advantage, though this was not necessarily to Australia's great disadvantage. Colvin referred to the Japanese capacity to build 15,000 ton, 10 inch gun, heavy cruisers and noted that the proper counter was the battlecruiser. He felt 'Australia should not contemplate such a liability and that the Admiralty would have ships
of this nature stationed at Singapore'. Quite detailed arrangements had been concluded between ACNB and the Admiralty regarding the cruisers, including Admiralty agreement to accepting Albatross in part payment.

In the following Council meeting on 18 March 1938, Colvin amplified his earlier comments to show the advantages to both Britain and Australia of the RAN purchasing existing British 6 inch cruisers. In doing so, he illustrated the conflict of loyalties with which a First Naval Member, who was also a Royal Naval Officer, was faced. The ships contemplated were of the same type as HMAS Sydney, they were available for immediate purchase (although Colvin advised against immediate purchase of the second cruiser owing to difficulties in manning her), and the purchase would enable the Admiralty to build new cruisers 'not necessarily identical with the ones taken over by the Australian Government'. The latter consideration Colvin regarded as important. In his words:

Australia could not compete with the Japanese Government in the type of cruiser that was probably now being constructed by them, but if we purchased the cruiser from the Admiralty, Great Britain would then be in a position to build any type they desired. He did not say this from the English point of view but from an Australian viewpoint; for if we provided for 6-inch cruisers here and the Admiralty were thus able to construct a superior type, it was a big advantage from the Australian viewpoint, as additional

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9a ibid., p.14. It is worthy of note that HMAS Albatross was to be sold to the Admiralty in part payment for the cruiser, the comment being that the RN could use the ship 'for the purpose of supply of a patrol somewhere north of Darwin' while 'from the point of view of the RAN it was not of great value'. Contrast this with Munro Kerr's appreciation of the ship detailed in Chapter 8.

10 The question was re-examined in this meeting of the Council as the Cabinet were scheduled to consider the purchase of the first cruiser the following morning. CAO, CAS A8157/21G, Council of Defence, Minutes of Meeting 18 March 1938, p.8.
cruisers were added to the Australian station and a superior type made available, possibly, for service in the Pacific.\textsuperscript{11}

Notwithstanding Colvin's disclaimer of an English point of view, the arrangement suited the Admiralty well. They would have the light cruisers removed from their financial responsibility, yet probably still available to them for trade protection, while at the same time they would be able to build and keep under their own immediate control 8 inch cruisers to counter the German heavy cruisers and commerce raiders which were likely to operate in the North Sea and Atlantic. The ships which Australia would get were useful but still needed the support of heavy cruisers to operate against Japanese fleet units should Japan enter the war.

Thus, although Australia obtained ships immediately, and that point should not be underestimated, they were not the most suitable ships.\textsuperscript{12} The Council of Defence were not concerned at being offered light cruisers. The Council's concern was to get modern cruisers as soon as possible. In the urgency of the situation even the financial aspect became less important. Casey indicated the possibility of the Treasury being able to provide the finance to buy both vessels by December 1938 if the Navy could man them.

The second naval measure according with the 30 June 1939 criterion was the Admiralty proposal for Australia to acquire a capital ship. An Admiralty memorandum following up the discussion with Parkhill regarding the acquisition of

\textsuperscript{11} ibid. This arrangement did not affect Treaty obligations as the naval forces of the Empire were so far below Treaty maxima. The effective limitations on both British and Australian Governments in the short term were economic and material. The material limitations were so serious that obsolescent ships were modernized as much as possible and re-commissioned.

\textsuperscript{12} Note the Admiralty advice of 1933 detailed in Chapter 5 on the need for Australia to acquire 8 inch cruisers, not lighter vessels.
a capital ship was considered in the Council of Defence of 17 December 1937. Colvin, while paying lip-service to the strategic importance of a capital ship in Australian waters, doubted Australia's ability to pay for it and felt adequate cruisers for trade protection were the first priority. He emphasised that a capital ship could not be built until 1943, even if ordered immediately, and would progressively tie up funds in the interim, which did not commend itself to the Council.\(^\text{13}\) Major General Sir Thomas Blamey agreed with Colvin's point regarding cost and felt so long as Singapore 'could hold out' there was no urgent need for a capital ship. Colvin assured him that Singapore was 'impregnable' and could be relied on to hold out. Colvin's view in regard to a capital ship prevailed and the matter was not raised again in the Council of Defence throughout 1938.\(^\text{14}\)

13 CAO, MPL049, item 2026/2/169. Colvin's estimate of the cost of a capital ship was:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial cost</td>
<td>£10,000,000 (Aust)</td>
</tr>
<tr>
<td>Dock and berthing facilities</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Spares and storage</td>
<td>1,000,000</td>
</tr>
<tr>
<td>which did not include the cost of 5 escorting destroyers</td>
<td></td>
</tr>
<tr>
<td>Annual maintenance</td>
<td></td>
</tr>
<tr>
<td>Capital ship</td>
<td>£530,000</td>
</tr>
<tr>
<td>5 escorting destroyers</td>
<td>310,000</td>
</tr>
</tbody>
</table>

To offset this, one cruiser could be relinquished with savings of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial cost</td>
<td>£1,750,000</td>
</tr>
<tr>
<td>Annual maintenance</td>
<td>232,000</td>
</tr>
</tbody>
</table>

14 It appears likely that neither Parkhill nor Shedden had enlightened the Cabinet as to the details of their discussions on their return from London. The British High Commissioner to Australia, Wiskard, commented in a letter to the Chief of the Air Staff, Air Chief Marshal W. C. T. Dowding, late in 1938 that Parkhill had been provided with material by the Chiefs of Staff in 1937:

but I have never seen this, and judging by the way things are run here, it seems to me quite possible that the rest of Cabinet haven't seen it either!

Wiskard to Dowding, 28 November 1938, Cab 9/56.

The Secretary of State for Colonies told the British Cabinet in mid-1938 after Menzies, Page and White had met with the First Lord and the First Sea Lord, that Parkhill had not informed his colleagues the previous year:

(cont)
The meeting of the Council of Defence on 18 March 1938 and a Cabinet Meeting the next day resulted in Lyons announcing a new defence programme on 28 April. The programme provided a further £15,000,000 for the RAN spread over three years and included provision for two 'Leander' class 6 inch gun cruisers to be bought from the Admiralty, two 'Yarra' class sloops to be built at Cockatoo Island Dockyard and due for completion in 1940, an anti-submarine school and three seaward defence vessels. Both Lyons and Casey acknowledged in the House that the accelerated programme was in response to the deteriorating international situation but the Government's policy remained firmly dependent upon Empire defence. The Council of Defence had endorsed the COS recommendation of continuance with the current policy and in February 1938 Lyons had cabled Chamberlain of Australia's preparedness to cooperate to the maximum extent of her power and financial resources in any further defence preparation your Government may decide is necessary for defence of the Empire in face of serious International situation.

This telegram was read to the British Cabinet and much satisfaction was expressed by members of the

as to the strong representations which had been made to members of the Australian Government in favour of their building a Capital Ship.

Cab 23/94, 35th Meeting Cabinet, 27 July 1938. The meeting with the Australian Ministers had taken place on 27 May 1938 at the Admiralty. Adm 1/9134. The file contains no details of the meeting. White was, at the time, Minister for Trade and Customs. Casey at the Council of Defence meeting on 17 December 1937 showed a general knowledge of the Admiralty's suggestion to Parkhill and the probable cost. However, neither Colvin's nor Casey's comments at that time show a detailed knowledge of the suggestion, or of the emphasis with which the suggestion had been made by the British leaders.

15 CPD, Vol.155, p.539. Lyons presented to the House a statement of international relations and, without going into detail, announced that defence programmes would be accelerated to keep Australian forces at a level required to meet the new situation. Later the same day Lyons announced details of the defence programmes. ibid., p.558. Casey brought down a Loan Bill immediately afterwards to raise £10,300,000 to undertake the capital works detailed by Lyons, ibid., p.563.
Cabinet. On 30 May 1938 Lyons made a nation-wide wireless broadcast in which he explained the accelerated defence programme and maintained his policy of support for Britain.

The time was rapidly passing, however, when empire loyalty, as a policy, would be received uncritically in Australia. A speech by Neville Chamberlain on 8 March concerning defence was critically reported in the Australian press. The fact that Chamberlain placed defence of the Empire third on his list of priorities (as was clearly stated in the documents put to the 1937 Imperial Conference) caused such an uproar in Australia that Lyons was forced to cable for an explanation. In return, Chamberlain maintained his Government's public stance on Empire defence, saying:

It would be quite wrong to deduce that protection of overseas possessions, because it appears third on my list, is not regarded as of first rate importance. The idea that in the event of war we may not be able to defend our overseas possessions is entirely false. As the result of progress in rearmament, including Singapore, we are in fact in a better position in this respect than we were three years ago.

However, criticism within the Council of Defence and the public commotion over Chamberlain's speech combined to make Lyons uneasy. A number of specific questions were put by him, through Bruce, to the British Chiefs of Staff Sub-Committee which produced a document in reply in April.

Dealing with Singapore, the COS replied, inter alia, ...

An Australian capital ship would make a significant, if indirect, contribution to the

16 Cab 23/92, 5th Meeting Cabinet, 16 February 1938.
17 Hasluck, Government, 1939-41, p.103.
18 Chamberlain to Lyons, 11 March 1938. Prem 1/309. Once again the desire for continued Dominion contribution to Empire defence, combined with criticism of what British authorities knew to be a seriously weak position, resulted in a reply which was more categorical than was justified by the resources available.
security of Singapore, in the period before the fleet arrives there. With the arrival of the British Main Fleet in the Far East the general safety of Australia will become assured and the likelihood of raids in strength reduced almost to vanishing point. An Australian capital ship would then be freed from her role of local defence to join the Main Fleet.  

Within Whitehall the subject of a capital ship for Australia was canvassed seriously from mid-1937 to mid-1939. It is evident from the Admiralty papers in preparation for the 1937 Imperial Conference that the Admiralty staff saw the Australian possession of a capital ship as one way to add significantly to Empire naval strength without extra financial burden on the British Exchequer. The contribution made by the battlecruiser, HMAS Australia, in World War I had not been forgotten. Admiralty papers indicate that the matter had been raised with Parkhill during the 1937 Imperial Conference in a serious fashion rather than as an aside. It is plain from later references that a capital ship for Australia would have augmented the Admiralty's scheme for expansion which became known as the 'New Standard'.

The debate over the New Standard in the British Cabinet illustrates both the ignorance in Australia of the Chamberlain Government's preparedness to allocate finance for defence of the Empire and the extent to which Australian reliance on the RN subjected Australian defence to the influence of British domestic politics. The British Cabinet considered the Admiralty's new scheme in a specific fashion on 20 July 1938. The matter of naval defence in general had, however, been discussed in British Cabinet regularly and frequently. The meeting of 16 February 1938 at which Lyons' telegram had been so well received dealt with foreign policy and especially Empire defence. Mention

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19 COS Paper 710, 27 April 1938. Note the assumption that an Australian capital ship would be used for local defence, not for harassing hostile action against Singapore.

20 Cab 23/94, 33rd Meeting Cabinet, 20 July 1938.
was made there of the strained financial position in Britain and the possibility of the Dominions making greater efforts.\textsuperscript{21} At the meeting of 23 February there was discussion, during the course of debate on defence estimates, of the Admiralty scheme and the possibility that Australia would be asked to provide a capital ship.\textsuperscript{22} The meeting of 22 March 1938, which discussed the moves which should be made in response to a future German invasion of Czechoslovakia, also had the naval situation in mind.\textsuperscript{23}

The Cabinet meeting of 20 July 1938 decided that it was not possible to commit the British Government to the New Standard at the time but the First Lord and the Chancellor of the Exchequer should work out a compromise. During the meeting the First Lord, Mr Duff Cooper, fought hard to maintain the expansion of the service despite the tightening economic situation in the country and the possibility of the Government having to provide greatly increased unemployment benefits. He refused to be a party to having the Admiralty work out a new and reduced programme. Before that course could be considered, he argued, 'they must give the Admiralty different [strategic] assumptions'. He reminded Cabinet:

Except in capital ships, we were in the position of numerical inferiority to Japan. Over Germany we showed a small margin. Italy was left out of the calculation altogether. For the first time, we were relying on a possible ally (France) to maintain our maritime supremacy.\textsuperscript{24}

\textsuperscript{21} Cab 23/92, 5th Meeting Cabinet, 16 February 1938.
\textsuperscript{22} ibid., 9th Meeting Cabinet, 23 February 1938.
\textsuperscript{23} ibid., 15th Meeting Cabinet, 22 March 1938.
\textsuperscript{24} ibid., 33rd Meeting Cabinet, 20 July 1938. The difference between strength in capital ships and strength in other classes of ships against Japan is important. The discussions between Admiralty and the Australian representatives in 1937 and the papers sent by Admiralty to Navy Office up to that time had considered relative naval strength in terms of numbers of capital ships. Estimates of strength had varied from the RN having a superiority of one to an inferiority of one with respect to the Japanese navy. Relative strengths in lesser classes were not included in the comparative tables.
The Dominions, he stressed, had been assured the previous year that a Fleet could be sent to the Far East. There had been no suggestion then of lack of money. He was not prepared to accept the Minister for Co-ordination of Defence, Sir Thomas Inskip's argument that Japan was becoming exhausted in China and he called to mind that 14 months ago, his predecessor had brought the question of the New Standard of Naval Strength before the Defence Plans (Policy) Committee and that the Prime Minister had then thanked him for not pressing for a decision. Since that time, the situation had deteriorated. Germany was more powerful and Japan more hostile than at that time.25

His Cabinet colleagues were well aware of the repercussions their decision would have upon the Dominions. Hoare, now the Home Secretary, conceded that the country and the Empire wanted to know the Government's intentions. He had wished to postpone a decision as long as possible.

Accordingly at the last Imperial Conference he had put the position very frankly, and had emphasised the enormous cost of the New Standard, but had kept the Conference guessing as to what was intended. He had hoped to get assistance from the Dominions.26

Because of the worsening situation Hoare now felt a decision must be made and he disagreed with Inskip that the New Standard was an impossibility. If the Government decided it was an impossibility, then it was saying that Britain did not have the ability to 'hold the situation in the Far East and in Home Waters at the same time' which would be 'a terrible shock for the Dominions'. His suggestion was that the Admiralty standard should be accepted but be attained more slowly. Again the idea of an Australian capital ship was suggested. The Secretary of State for

25 Ibid.

26 Ibid. Author's emphasis.
Dominion Affairs agreed that rejection of the New Standard would be a shock to the Dominions and instanced conversations of the previous May with Menzies, Page and White regarding the capital ship. The Australians had been responsive, but the discussions had been based 'on the understanding that the United Kingdom Fleet would go to the Far East in the event of war'. Nonetheless, Cabinet decided that it could not accept the Admiralty's scheme and the Admiralty was ordered to submit revised estimates.

A compromise was presented to the British Cabinet the following week. The Treasury agreed to increase their commitment from £355 million to £410 million. The Admiralty estimate was £443 million. However, the Cabinet was not prepared to accept the New Standard, even in principle, which the First Lord felt might lead to some difficulty with New Zealand and Australia, especially as Menzies had given the impression that, if pressed, Australia would acquire a capital ship. The New Zealanders, especially, were under the impression that the New Standard had already been adopted. 27

Rejection of the New Standard added impetus to a reassessment in Britain of the likelihood of being able to send a fleet of sufficient strength to Singapore to match the Japanese navy. This was a lengthy process, attended by much argument and not a little anguish within the Admiralty and the Cabinet. It was under way by late 1937 and was by no means complete when war was declared in September 1939. Its underlying cause was increasing acceptance within Whitehall of the inadequacy of British defence resources, as distinct from what had been promised during the previous twenty years in the councils of the Empire. It was heightened in its latter stages, no doubt.

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by the passing of Chatfield and Hankey - both staunch proponents of Empire defence. 28

The relative importance of Britain's Far Eastern interests was further reduced during the reassessment. In April 1938 the CID resolved that the overall strategic assessment be reconsidered by the Joint Planning Sub-Committee. Revised terms of reference were laid down to allow of Britain being engaged in war with Germany in April 1939 under the following circumstances:

Case I  
(a) France and Czechoslovakia allied to us.
(b) The Union of Soviet Socialist Republics and the United States of America to be assumed to be friendly neutrals. The United States neutrality legislation being so applied as to favour us and the Arab countries of the Middle East to be regarded as uncertain friends.
(c) All other powers neutral.

Case II  Examination of the effect first of Italy and then of Japan entering the war on the side of Germany: the 'time of intervention' factor to be taken into account. 29

The revised terms of reference gave more weight to possible allies than had the 1937 Review of Imperial Defence, and also scouted the possibility that Italy could not be kept neutral by diplomatic action. Although Case I(c) still held out hope for such a solution, subsequent papers leave no doubt that the Chiefs of Staff were planning with Case II

28 Hankey relinquished his post as Secretary of the Cabinet and of the CID in 1938 to be appointed Minister without Portfolio in 1939. Chatfield retired as First Sea Lord in 1938. He was created Baron Chatfield in 1937 while still at the Admiralty and succeeded Inskip as Minister for Coordination of Defence in 1939. Both were elevated rather than being completely removed from the scene, but neither was in such a powerful position as they had previously occupied to influence the detailed discussion and argument upon which policy assessments were formulated.

29 Cab 2/7, 319th Meeting CID, 11 April 1938. Paper DP(P)23.
in mind. Case I(c) was a sop to previously cherished hopes. Once the ministerial members of the CID were prepared to take Case II seriously, full rein was finally given to debate within the Admiralty on use of the Fleet.

The extent of the change in Admiralty thinking during 1938 was indicated by the new First Sea Lord, Admiral Sir Roger Backhouse. In commenting on Wiskard's letter to Dowding of 28 November 1938, quoted above, Backhouse noted, in regard to the qualification in the 1937 'Far East Appreciation', to include war with Germany and Italy at the same time as Japan, that he was not sure the issue could be dismissed easily:

So much would depend on how the several wars started and what happened subsequently. Even if the worst came to the worst we should, I hope, always be able to send some capital ships to the East, which, in conjunction with the cruisers and other classes of ships, should be able to secure our lines of communication in the Indian Ocean.

The final sentence quoted is a long way short of the assurances given verbally and in printed documents to

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30 Backhouse, Admiral Sir Roger, 1879-1939. Recognized as a gunnery expert and played important part in developing gunnery techniques associated with Dreadnought. He served in cruisers and battlecruisers under Tyrwhitt and Beatty during World War I. Became First Sea Lord, September 1938.

31 Backhouse to Ismay, 29 December 1938. CAB 9/36. Dowding had passed Wiskard's letter on to Ismay who had, in turn, passed the documents on to Backhouse. Dowding's comment, when shown Backhouse's note, indicates the distance which Admiralty thinking had travelled since June 1937:

Personal, I should be sorry to see the Chiefs of Staff repudiate what really amounts to a promise to send an adequate fleet to the Far East if Japan is hostile, and I feel sure that there would be grave political reactions to any such suggestion on their part.

Dowding felt that if Backhouse was of the opinion that the promise should never have been made, the subject should be discussed by the CID as soon as possible. In the meanwhile, he said it might be wise for Wiskard in Australia to avoid any reference to the 'Far East Appreciation'. Dowding to Ismay, undated, ibid.
Parkhill, eighteen months previously. Backhouse was so out of sympathy with the 1937 Appreciation that he doubted that Wiskard should quote it without its being brought up to date.

Bruce became aware of the reassessment and made it his business to ascertain its extent before he returned to Australia late in 1938. Backhouse informed Ismay that Bruce had seen both the First Lord and himself several times on the question and, as a result, the Admiralty had prepared a memorandum on Australian Naval Defence. Bruce returned to Australia between December 1938 and March 1939 and impressed his concern on Lyons. The effects of Bruce's representations were quickly felt in the Navy Office.

Colvin telegraphed the First Sea Lord on 14 March 1939:

*Personal. For your very personal information.*
I understand High Commissioner Bruce has informed Australian Cabinet that in his opinion Great Britain will be unable to send capital ship forces to Singapore in event of war with Japan while at war in Europe. Am vigorously confuting this view as opportunity offers but hope to use it to advocate Australian capital ship.

Two points are clear from the telegram. Firstly, Colvin had changed the emphasis of his views on a capital ship since December 1937. Secondly, he was unaware of the controversy within the Admiralty over the question of sending a fleet to Singapore. Backhouse passed Colvin's telegram on to the

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32 See p.302.

33 Colvin to Backhouse, 14 March 1939. Adm 1/9831. Colvin suggested a number of alternative arrangements whereby the problems of lead time for an Australian capital ship could be overcome. Basically he was in favour of Britain lending an existing ship on the understanding that Australia would order a new vessel immediately. His main worry, and this undoubtedly was one reason behind his change of view on the subject, was that Bruce's representations would lead to Australia turning to military self-defence. It is not clear from the available records exactly what caused Colvin to change his view. As late as 12 September 1938 he was urging the Minister for Defence that the acquisition of a capital ship should not be to the detriment of the existing programme.

CAO, MP 1049, Series 5, Item 2025/2/169.
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CHO, MR 1049, Series 5, item 2026/2/169.
new First Lord, Stanhope, with the rather unsympathetic comment:

I am afraid Mr Bruce is being a bit fractious in Australia, although why he should be so I do not know after what he was told here.  

Stanhope replied the following day:

Mr Bruce I think feels doubtful - as I do - as to whether a UK Govt. when it comes to the point would leave Egypt and its neighbours defenceless in the Eastern Mediterranean. We have never got clear of the Genevan Naval Limitation complex under which warships of the British Empire would be counted as belonging to the UK and would be severely limited in numbers. Under such conditions it was not to our interests to have one of our few capital etc. ships confined to Australian waters and we discouraged Australia from owning one, or at least we did not encourage her to do so.

I agree entirely with the last paragraph of CNS's minute (that needs an Imp.Conf. to straighten matters out) but we must make up our own minds as a Govt. before we are really in a position to discuss this with the Dominions. When we do I hope we shall be completely frank. [sic]

Stanhope's honesty is refreshing but at the time it had little effect.

Meanwhile, in Australia the Munich crisis had resulted in a general mobilization of the defence forces in September 1938 and a revised defence programme a month later.

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34 Viscount Stanhope replaced Mr A. Duff Cooper who resigned from the Government in October 1938 over the Munich agreement and was himself succeeded at the Admiralty by Winston Churchill at the outbreak of war in September 1939. Stanhope's time at the Admiralty was not notable for conspicuous achievement. It was a period of unfortunate disruption as Duff Cooper had succeeded Hoare after the latter had served only 12 months in the post. Duff Cooper served only 18 months himself. In the same period there was also a rapid succession of First Sea Lords with Backhouse forced to resign by ill health in mid 1939 after seven months in office. He was succeeded by Admiral Sir Dudley Pound who served until October 1943 when the brunt of the defeats had been overcome.

35 Adm 1/9831.

36 ibid.
The Lyons Government's support for Chamberlain's policy and its handling of the Munich crisis in the Commonwealth Parliament have been dealt with elsewhere. Suffice it to note here that the increased urgency injected into defence preparations by the crisis produced very little increase in naval expenditure. Additional naval measures consisted of accelerating the conversion of Adelaide to burn oil, which was already under way, by working double shifts, accepting plans to improve shore facilities and building twelve motor torpedo boats and three 'Tribal' class destroyers. In retrospect the naval items added to the defence programme were slight in comparison to the imminence of war now apprehended by an increasing number of people. The new destroyers were estimated to cost £1,800,000 each, the extra shifts added £12,000 to the cost of converting Adelaide and £750,000 was to be set aside over four years for the motor torpedo boats. The programme seemed substantial to both the ACNB and the Government at the time. However, size was a relative factor. What seemed substantial in late 1938 was dwarfed as the international situation deteriorated.

Hence, Australian naval rearmament was limited. The failure to acquire a capital ship resulted in naval policy being restricted to trade defence. At the time when the Government was prepared to spend more the Navy was not able

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37 Hasluck, Government, 1939-41, pp. 91-100
Fairbanks,'Defence Debate', Chapter 15.

38 CO, CRS, AA1967/309, Box 34, item 9. The Government subsequently reduced the number of destroyers on the programme to two. Ibid., Box 34, item 1. However, the motor torpedo boats were later deleted and the allocation transferred to a further two 'Tribal' class destroyers.
The first destroyer was to be laid down at Cockatoo Island Dockyard during the financial year 1939/40. The ACNB included a capital ship and screen of four destroyers on a separate schedule headed 'Objects which remain to be provided to give full effect to the Government's Policy' but the item was not considered by the Government. Ibid., item 9.
The destroyers had first been requested by the ACNB in 1936.
to respond quickly enough. By mid-1938 the opportunity had passed and short term results became the criterion by which the defence expansion was planned. The Government's delay in expanding its defence expenditure lost it the opportunity of buying ships from British yards as the British defence effort was also expanding and had prior claim. The RAN was thus restricted to purchasing two cruisers and building small craft in Australia. Meanwhile, reassessment of Empire defence at Whitehall resulted in growing doubt that a fleet would be available as soon as had been promised for the Far East in the event of a three-theatre war which seemed increasingly possible.
CHAPTER THIRTEEN

IMPERIAL PROMISES MODIFIED

The limitations of Empire defence became increasingly apparent to the Australian Government at a time when the international situation and the climate of Empire sentiment within Australia made a change of policy extremely difficult. The situation with regard to equipment for the armed forces further mitigated against a fundamental reassessment of Australian naval policy. This chapter will deal with Australia and the Empire defence relationship in the period from the Czechoslovakian crisis to the outbreak of war in Europe in September 1939 - a period in which the consequences of dependence were borne home to Australian leaders at a time when they could make little effective response.

British policy in the aftermath of the Czechoslovakian crisis was to continue to trade piecemeal political
concessions in return for time." The T.I.S. were most anxious about the European situation and it became increasingly evident in Australia that the desirable momentum of rearmament in Britain was primarily directed toward a European war.

Admiralty concern over being fettered in the disposition of its forces by previous political commitments was made explicit to British leaders in the "European Appreciation" of 1939 which was considered by the T.I.S. on 14 February 1939. The meeting gave the First Lord the opportunity to stress to the T.I.S. that the Admiralty were unhappy about sending ships out of the Mediterranean to the Far East. Chamberlain noted that some sections of the Appreciation appeared to qualify the categorical assurance given to the Dominions in 1937. Chatfield held the view that the I.F.F. position of sending nine capital ships to Singapore though he was prepared to adjust that seven might go. His argument fell, however, in French cooperation, both against Italy in the Mediterranean and against Germany in the Atlantic, and he was forced to concede the point. Stanhope indicated that the Admiralty were now less than certain that French cooperation would be forthcoming and most uncertain that the French would be prepared to move units from the Mediterranean to the Atlantic to give a

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Footnotes:

1 General Irwin's lecture sheet drawn up in September 1939, showing the advantages of postponing the likelihood of war for a year rather than fighting Germany over Czechoslovakia. He placed considerable stress on the need for time to improve Britain's air defences against what the Chiefs of Staff felt would be the German strategy of a quick 'knock-out blow' against British cities by the Luftwaffe. This is 144, note in the question of whether it would be to our military advantage to fight Germany now or postpone the case. By General Irwin, 14 September 1939. In the same week the Chiefs of Staff reported, from the military point of view, the dangers of advantage is definitely in favour of postponement...we are in need of time to get our a defensive war at the present time. (ibid). 2 September 1939. Irwin attended Harris' lectures at the University of London in 1939.

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partly denuded Britain against Germany. As a result the Admiralty wished to qualify the categorical assurances given to Australia in 1937.

The CID came to no definite conclusion at the meeting on 24 February but set up a Sub-Committee which was instructed, inter alia, to prepare a Memorandum on the precise size of the fleet which should be sent to Singapore in the event of war with Japan. The meeting of 24 February, however, along with the Admiralty/Foreign Office exchange of Memoranda over the Far East situation, revealed clearly that both the Admiralty and

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3 Chamberlain suggested the Dominions ought to be told of this but Chatfield demurred:
the Chiefs of Staff had always held the view that the Empire would be faced with a position of grave danger if we were engaged simultaneously in a war against Germany, Italy and Japan. Nevertheless, we must not lose sight of the superiority which the greater efficiency of our fleet conferred upon us. After all, we should have lost the Battle of Trafalgar on Staff Appreciation...

ibid. The judgment of Admiralty Staff during Chatfield's period, that the RN was more efficient than the Japanese Navy, was not upheld by those who had served on the China Station. Submissions by Admiral Sir Frederic Dreyer to the Admiralty on 10 February 1939 and 12 June 1939 stated clearly Dreyer's concern at the inadequate appreciation of the Japanese by the Admiralty Staff in Whitehall. Dreyer had been Chief of Staff to Jellicoe on his Dominion tour in 1919, and had been C in C China Station, 1933–36. Adm 1/11326.
the Foreign Office were more concerned with the Middle East than with the Far East. 4

The intrusion of the Tientsin affair into the Admiralty’s European-oriented scheme of priorities between April and August 1939 raised extremely awkward questions within Whitehall. Details of the affair itself have been dealt with in other works, but the consequences

4 Admiral Drax, in a paper to the Admiralty dealing with the relative importance of European and Far Eastern theatres, wrote:

Germany is 300 miles distant, Japan is 11,000.
For operations against Germany our supply resources are immediately available, our communications are in no danger. To operate against Japan huge quantities of supplies must come from England (for example the whole of the MNB) and our line of communications is so vulnerable that heavy losses are not improbable. Further, no one has ever worked out the time or forces required to compel Japan to sue for peace. It seems therefore, that our first effort should be against Germany (unless of course America were to enter the war).

Adm 1/9897, 16 March 1939. 'MNB' stands for Mobile Naval Base. Note the admission of the lack of a plan of action once the Fleet had arrived at Singapore.

Drax emphasised that the promises given to Australia in 1937 had been given for the political purpose of keeping the RAN involved in a supporting role to the RN. The political commitments necessary to secure Australian participation were, to Drax, a constricting influence on the freedom of the Admiralty to concentrate their forces where the immediate need existed from time to time. 'It follows,' he argued:

That the pledge given to Australia in 1937 (as quoted in CIC Paper 450-C of 15 June 1937, para 33) constitutes a grave danger to the Empire and might easily lead to its complete ruin.

Drax, Admiral Plunkett-Ernle-Erle-. Born 1880. Served in Grand Fleet from 1914; on board HMS Lion at Heligoland Action, Dogger Bank and Jutland; Director, Royal Naval Staff College, 1919-22; President, Naval Allied Control Commission (Berlin), 1923-24; Naval ADC to King, 1927-8; Rear Admiral First Battle Squadron, 1929-30; Director of Manning, Admiralty, 1930-32; Vice Admiral, 1932; C in C Americas and West Indies Station, 1932-34; C in C Plymouth, 1935-38; C in C The Nore, 1939-41; First and Principal Naval ADC to King, 1939-41.
are important to Australian naval policy. 5

The affair was a culmination of increasing tension between Britain and Japan as a result of the Sino-Japanese conflict and had been preceded by the strafing of the
British Ambassador to China in his car by Japanese aircraft in August 1937 and the bombing of two British gun boats in December of the same year. The US gunboat Panay had been sunk in the same incident. By the end of 1938 the undeclared Sino-Japanese war had spread to Canton, the seizure of which effectively isolated Hong Kong. The Japanese southward drive in late 1938 and early 1939 seized China's strategic outlets to the South China Sea and overcame many of the advantages held by Singapore. The Japanese seized Hainan Island (1,300 miles from Singapore) on 10 February 1939, and the Sianjin Islands

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5 See especially W. R. Louis, British Strategy in the Far East, 1919-1939, 1971. In September 1938 British police in the Tientsin concession arrested a Chinese suspected of guerrilla activities against the Japanese. He was, in fact, Ssu Ching-wu, head of the 'North China National Anti-Japanese Army'. Tension was increased over the question of what to do with him. Early in 1939 the Japanese Army imposed a blockade of the British Concession and subjected people entering and leaving it to search and other humiliations. In April 1939 British and Japanese police arrested four Chinese terrorists in Tientsin and the problem intensified. Whatever decision the British Government made regarding the prisoners would be interpreted as anti-Japanese and pro-Chinese, or vice versa. The British Ambassador in Tokyo, Sir Robert Craigie, the Consul General, Clark Kerr, and the Foreign Office favoured internment them. The problem would have been one of minor proportions had it not been for the sense of mutual suspicion which had been growing between Britain and Japan since the abrogation of the Anglo-Japanese Alliance and which was exacerbated seriously by the British becoming caught up, by reason of their interests in China, in the Sino-Japanese conflict. British troops were finally withdrawn from Shanghai and Tientsin in August 1940. Louis raises the issue of the racial overtones in the strong moral stand taken by one school of thought, represented by Clark Kerr and opposed to the more utilitarian school of thought, not so well represented at the Foreign Office (The Far Eastern Department was staffed by three old China hands - Cadogan, Pratt and Brenen) but upheld on the spot by Craigie. Australian policy tended toward a pragmatic approach and Bruce in June told Chamberlain that the Australian Government felt 'the Foreign Office had taken a somewhat too precise and exacting view of technicalities' and it would be wiser to follow the views of the Ambassador in Tokyo.

Cal 2/9, 352nd Meeting Cabinet, 26 June 1939.
including Spratley Island (600 miles from Singapore) on 30 March. The Japanese Navy thus blockaded the entire China coast by early 1939. Although Japan was not able to stop British and European supplies from reaching China by sea, as war had not been declared, the danger of an international incident involving British shipping was a source of concern to the British Chiefs of Staff. The situation also allowed of the likely possibility of further 'humiliating acts' by the Japanese against British citizens. Between April and June 1939 it seemed possible that war could break out between Japan and Britain over the Tientsin affair.

The continuing debate within Admiralty on the question of sending a fleet to Singapore was given a new and somewhat ironical impetus by pressure from the Foreign Office for a fleet to be sent to the Far East to bolster British prestige. Memoranda by British Ambassadors at Tokyo, Shanghai and Bangkok late in 1938 pressed for a capital ship force to be sent. Probably the most important of the Memoranda is that by the Ambassador at Tokyo, Sir Robert Craigie, who noted that Japan was ruled by men influenced in the main by German ideas of 'power politics' and argued that British equipment on the spot would be the most impressive means of demonstrating British resolve. He said:

I feel we must...be prepared to face a steady deterioration in our prestige and influence in the Far East unless we can do something more to sustain in this part of the world our position and responsibilities as the greatest Naval Power.6

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6 Memorandum to Foreign Office by Sir Robert Craigie, 14 December 1938. Adm 1/9909. Craigie argued that Britain had practised conciliation to a fault. This policy was being taken in Japan as weakness. He welcomed the changing climate of political opinion in the United States and felt that British capital ships at Singapore would accelerate the decline of isolationists in America. He acknowledged the argument against splitting the capital ship force but pointed out that the same applied to Japan where the Navy would not defend the Home Islands in the face of a US fleet at Hawaii. The Admiralty, he felt, would need only three or four capital ships at Singapore to deter Japanese action southward.
In reply to the Foreign Office the Admiralty argued that with the continued heavy concentration of ships in the Eastern Mediterranean to cover the Palestinian problem it was not possible to spare a fleet for the Far East. If encroachments in the Far East became sufficiently serious as to sacrifice interests in the Mediterranean, that would be a decision for the Government of the day. Admiralty mention of sacrificing interests in the Eastern Mediterranean brought a hasty reply from the Foreign Office that they did not wish to jeopardise the position in Egypt or lose control of the Eastern Mediterranean. In view of

into Indo China. Admiralty Staff were not slow to note: The moral to be drawn from the situation we now find ourselves in is that our foreign policy should be largely governed by the strength of the Navy. This principle was completely rejected by the Government in 1930 and it was not until 1936 or 1937 that it was fully realised again. (Our Ambassador at Tokyo was one of the F.O. officials who was most energetic in connection with drawing up the London Naval Treaty, and the Foreign Office of the day gave the Admiralty no support whatever).

7 Adm 1/9909, Sec., Admiralty to Under Sec. of State, Foreign Office, 13 March 1939. For details of the Palestinian problem see J. Parkes, Whose Land: A History of the Peoples of Palestine, 1970, Chapter 16. The British Cabinet hoped to solve the stalemate between Arabs and Jews by a conference at St James's Palace in February 1939. The conference was rejected by both Jews and Arabs and the British Government's only alternative was to announce a solution and enforce it. Meanwhile terrorism in Palestine increased and drew an increasing commitment of the British Army in the Mandate. It was not until the Spring of 1939 that the power of the Mufti forces was broken.

8 Adm 1/9909, Memorandum dated 18 March 1939. The Foreign Office noted that withdrawal from the Mediterranean would involve:

the destruction of a large proportion of the élite of our regular army and the progressive loss of Palestine which would be followed by our ceasing to have any control over Arabia and Iraq. Finally we should be compelled to abandon all hope of securing the surrender of the forces in Italian E. Africa. After obtaining reinforcements from Libya, these forces could launch successful attacks on our E. African possessions and Aden.
both the limited forces available and the increasing British commitment in Europe it became extremely difficult to put established Empire defence policy into practice. This difficulty was exacerbated by the way in which the policy had been formed in the 1920s by Cabinet juggling the opinions and requirements of several Ministries and the Dominions with economy as a major objective. In this process the Australian Government was privy to little inside information and had very little influence.

During March and April 1938 the Australian Government had even less influence in London than normal. Bruce was absent from London between December 1938 and April 1939, returning from Australia via the United States. Added to this, Lyons' death on Easter Day 1939 involved the Australian Government in an internal power struggle which caused a gap in the Australian scrutiny of British policies.

The Australian reaction to the Czechoslovakian crisis was to seek further confirmation of the promise that a fleet would be sent to Singapore while, at the same time, to urge continued appeasement. The ostensible reason for seeking confirmation from the British authorities was an apparent

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9 This point was made explicitly by Chamberlain later in the year when, reviewing likely allies and enemies, he said, that the attitude of the United States must remain doubtful, that we could not count on the active support of Russia; that once war broke out Germany, Italy and Japan would all, sooner or later be ranged against us, with France as our only major ally. We would have widely separated interests in three parts of the world; and, as we would not be as strong as we would like in all those theatres simultaneously, the question was one of priorities.

10 Edwards, Bruce, gives no explanation of the reasons for Bruce returning to London via the United States and the official records shed no light on whether the return through the United States was at the behest of Lyons or at Bruce's own volition.

11 For details of Australian policy in this period, see Hasluck, Government, 1939-41, pp. 91-120.
conflict in details of CID papers sent to Australia late in 1938. As the COS noted, however, the Australian Government was in a 'state of agitation' over its defences. The Admiralty presented COS with a paper prepared for the Australian Government (Paper COS 813 'Australian Naval Defence'). The immediate question from the Sub-Committee was why the paper was necessary in the first place. The First Sea Lord told the meeting he had assured Bruce that British strategy remained the same as in 1937. Further discussion of the paper was thus suspended, and the Australian Government was formally reassured that the assurances made at the last Imperial Conference still held good. On the one hand the matter showed the Australian Government to be extremely unsure of British resolve to make good the 1937 promises. On the other hand, the COS was shown to regard with annoyance the Australian Government's pressure for what the Admiralty especially regarded as a disproportionate allocation of British naval resources away from the main theatres.

On 16 March 1939 Lyons again sought reassurance on the question of the despatch of a fleet to Singapore. Admiralty qualifications are evident in Chamberlain's reply, which stated, *inter alia*:

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12 The Sub-Committee was informed that the Australian Government:
- wanted an up-to-date Memorandum on Naval Defence and asked for a capital ship to be sent out to Australia straight away. For some time previous to that the Australian Government had been in a state of indecision over their naval programme, and had made various suggestions about returning cruisers and possibly obtaining a battleship. It seemed they did not fully understand the strategic position of Australia or had become uncertain whether the statements or guarantees made to them previously still held good.

*Cab 53/10, 267th Meeting COS, 13 January 1939.*

The Admiralty appear to have regarded the possibility of Australia's acquiring a capital ship as much more likely than was the case.
In the event of war with Germany and Italy, should Japan join against us, it would still be His Majesty's Government's full intention to despatch a fleet to Singapore. If we were fighting against such a combination never envisaged in our earlier plans, the size of that fleet would necessarily be dependent on (a) the moment when Japan had entered the war, and (b) what losses, if any, our opponents or ourselves had previously sustained.13

This was a considerable qualification to the promise in 1937 of nine capital ships to Singapore within a period of seventy days from the outbreak of war with Japan.

Even so, the extent of the qualification to the 1937 promise which was being considered by the British Government in the early months of 1939 was not made clear to the Australian Government, not for want of an opportunity. Minutes of the CTD Meeting of 24 February were inadvertently put into the possession of the Acting High Commissioner for Australia, Mr Duncan. Duncan sought an interview with Ismay who, not knowing the specific object of Duncan's request but guessing that despatch of a fleet to Singapore was a likely subject, obtained instructions from the Strategical Appreciation Sub-Committee to say:

no change had occurred to affect the considerations which governed the undertaking that, in the event of war with Japan, we should send a Fleet to Eastern waters, irrespective of the situation elsewhere.14

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13 Prem 1/309, item 2904. Lyons to Chamberlain 16 March 1939, Chamberlain to Lyons, 20 March 1939. Chamberlain also stated:
It would, however, be our intention to achieve three main objects:-
(i) The prevention of any major operation against Australia, New Zealand or India.
(ii) To keep open our sea communications.
(iii) To prevent the fall of Singapore.

The German occupation of Prague which led to British and French guarantees to Poland added another 'combination never envisaged' in the scheme of Empire defence. The reaction of the Australian Government is difficult to gauge as no Cabinet records were kept during the period. Bruce later described Chamberlain's telegram as a 'bombshell'. Cab 2/9, Annex to 362nd Meeting CTD, 26 June 1939.

14 Cab 21/893, item 4643. Dated 18 March 1939.
Duncan 'astounded' Ismay by pulling from his pocket a copy of the minutes of the CID meeting on 24 February. In the words of Ismay:

In the entirely unexpected position in which I found myself, 'it was obviously impossible to adhere rigidly to the guidance which had been given to me by the Strategical Appreciation Committee who took it for granted, as I did, that no Australian had any reason to think that the question of despatch of a Fleet to the Far East was even under consideration. I therefore took the perfectly true line that the Paper under consideration at the meeting in question dealt with the situation which would arise in the event of a war with Germany and Italy; that Japanese intervention was merely incidental to the main theme; and consequently that the observations which had been made on that point were in the nature not of fixed conclusions, but of tentative opinions.'

Ismay then recited his prepared statement that a fleet would be sent to Singapore and added that the Admiralty had been asked to prepare a memorandum on details of the size of the fleet to be sent. Duncan expressed himself satisfied with the explanation and undertook to make 'no communication to his Government suggesting that there had been any departure from the undertaking given to them at the Imperial Conference'. Ismay's parting remarks were to the effect that the discussion at the meeting could not be properly understood without knowledge of DP(P)44 and that paper had been issued only to those invited to the meeting. Thus the British Government maintained a policy of duality in its

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15 ibid. It is not clear from the documents whether Lyons' telegram to Chamberlain of 16 March 1939 resulted from Duncan's communicating the contents of the paper back to Australia. Ismay's minute seems to indicate that Duncan had not done so and did not do so afterwards. However, the CID Minutes were given to Duncan by Stirling, who had recently succeeded Keith Officer in Casey's old position as External Affairs Liaison Officer in the Cabinet Office at Whitehall Gardens. It is likely that Stirling informed the Department of External Affairs of the gist of the CID Meeting as was the custom of the Liaison Officer.
dealings with Australia in regard to service assessments concerning Empire defence. 16

In late April the British Chiefs of Staff considered a paper from the Admiralty arising from the 'European Appreciation', which argued that the immediate despatch of a fleet to the Far East upon the outbreak of war with Japan was no longer a wise policy. The paper was originally submitted to the First Lord on 2 April 1939 by Deputy Chief of the Naval Staff, Admiral A. B. Cunningham. 17 The CID considered it on 2 May and decided to adopt Cunningham's advice:

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16 Not everyone agreed with the Cabinet's reluctance to keep the Australian Government informed on the current service assessments within Whitehall. Churchill, at this time a private member, agreed wholeheartedly with the Mediterranean strategy but felt that a 'good guarantee' could nevertheless be given to Australia, though he added the provision, 'We must do it in our own way, and in the proper sequence of operations'. He urged Chamberlain to adopt a more open policy towards Lyons, saying: 'Tell them the whole story and they will come along.' His own assessments were, however, based on overly sanguine expectations of British performance. In Churchill's view Australia, in the first year of the war: would be in no danger in their homeland, and by the end of the first year, we may hope to have cleared up the seas and the oceans.

Churchill to Chamberlain, 27 March 1939, Prem 1/345. The traditional British optimism of a short war is clearly evident. Chatfield, who was shown Churchill's letter, noted across one corner that the Mediterranean problem would be solved in six months. With this optimism in mind, Chamberlain put off coming to a decision on the strategic questions raised by the Admiralty. Ismay's reassurance to Duncan was allowed to stand unqualified. ibid., 29 March 1939. It took thirty nine months to bring Italy to defeat.

17 Cunningham was later to command RAN units as C in C Mediterranean, 6 June 1939 to 1 April 1942. The paper was submitted to the Strategic Appreciation Sub-Committee of the CID on 4 April and was given the appellation D/P/P 155. See Adm 1/9897.
that there are so many variable factors which
cannot at present be assessed that it is not
possible to state definitely how soon after
Japanese intervention a Fleet could be
deptchased to the Far East. Neither is it
possible to enumerate precisely the size of
the Fleet we could afford to send. 18

Cunningham's assessment centred upon the timing of a
Japanese entry into a war. He noted that of Britain's
fifteen capital ships, only ten were immediately available
as the other five were either still under construction or
were being modernized. 19 The situation would improve
progressively from the summer of 1939 onward.

With the principle in mind of concentrating force
where it would be most effective, Cunningham was opposed to
categorical promises of sending a fleet to Singapore
immediately Japan declared war. If the Admiralty were to be
held to such promises he argued:

Japanese intervention may be designed to relieve
the pressure which we are successfully
imposing with our Fleet on Germany, Italy or
both countries. In these circumstances, some
delay in the despatch of a Fleet to the Far
East might enable us to eliminate one of
these adversaries, thereby putting us in a
position to direct our efforts against Japan
in due course. 20

He noted that the effect on Greece, Turkey and the Arab and
Moslem world of an evacuation of the Eastern Mediterranean

18 Prem 1/309, item 2904.
19 Queen Elizabeth, Valiant and Renown were under
construction. Revenge was being modernized and was due to
be completed by May 1939. Hood was at six weeks' notice.
Cunningham noted that Japanese intervention would be a
serious threat but action taken to counter it would have to
take into account:
(a) The number of capital ships which we shall have
available at the time.
(b) The strategical situation which then existed both
in Home Waters and in the Mediterranean.
(c) The strategy adopted by Japan when she enters
the war.
(d) The reactions of the USSR and the USA to Japan's
intervention.
Each of the four considerations listed was a variable factor.
Adm 1/9897.
20 Adm 1/9897.
were political factors which added further weight in
favour of avoiding a detailed timetable for moving ships to
Singapore. The COS discussed the question of the despatch
of a fleet to Singapore on four separate occasions in the
light of both the Tientsin affair and the guarantees given
to Poland and Roumania. As a result, they considerably
qualified their views on both the timing and the number of
ships to be sent to Singapore. Meanwhile, the Admiralty
became increasingly adamant about keeping capital ships in
Home Waters and the Mediterranean. 21

The CID met on 26 June to review the situation and
consider several papers from the COS including DP(P)55.
Discussion centred upon the contingency of an outbreak of
hostilities in the Far East before Europe or the
Mediterranean which threatened to nullify the Admiralty's
plan to strike first at the weakest of the three potential
enemy powers. If Britain were to send a fleet of nine
capital ships (or even seven) to the Far East at the
outbreak of war with Japan, Hitler could choose the most
favourable time to declare war and send his capital ships
to raid supply routes. 22 The six capital ships remaining

21 Cab 53/11, 298th Meeting COS, 25 May 1939.
299th Meeting COS, 1 June 1939.
303rd Meeting COS, 19 June 1939.
304th Meeting COS, 20 June 1939.

22 Cab 2/9, 362nd Meeting CID, 26 June 1939. The First Sea
Lord explained at the Meeting:
...the Deutschlands would not be able to stand up to
our capital ships: consequently the Germans would be
playing into our hands if they kept them concentrated.
It was worthy of note that whenever the Deutschlands
had been on a cruise, such as their recent visit to
Spanish waters, they had been accompanied by a large
oiler with a speed of 24 knots. It was therefore
certain that they were well trained in fuelling at
sea: and in any case, their large range of action
would enable them to carry out some 40 days' steaming
without the necessity for refuelling.
It was well recognised that if the German heavy ships broke
out into the Atlantic it would take many times their number
of British capital ships to search for and hunt them.
in Home Waters after a fleet had been sent to the Far East would leave British trade exposed to a considerable threat. The Admiralty were extremely concerned to avoid any action which would deplete their forces covering the German Navy. The CID did not formally ratify the Admiralty's views but the Prime Minister and Sir Thomas Inskip, now Secretary of State for Dominion Affairs, arranged to see Bruce and the New Zealand High Commissioner, Mr Nash, 'to explain to them how matters stood'.

In Australia there was increasing unease. Although the specific reaction of the Government to Chamberlain's telegram of 20 March is difficult to gauge, in the absence of Cabinet records, the telegram undoubtedly influenced the Minister for Defence, Brigadier G. A. Street, in ordering a review of defence policy on 8 May. The review, the first since 1937, was undertaken by the three Chiefs of Staff, submitted on 27 May 1939 and discussed at the Council of Defence on 5 July 1939.

In their review the Chiefs of Staff argued that the probability of a Japanese invasion depended upon:

(a) The timely arrival in the Far East of an adequate force of capital ships from the United Kingdom.
(b) The ability of Singapore to hold out until the arrival of such force.

Invasion would become a possibility if the Fleet failed to arrive or if Singapore fell before its arrival, for the Japanese would then be left

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23 Some indications point to Menzies being more sceptical of British assurances from 1938 onwards than has been thought in the past. However, this will remain speculative until the Menzies papers are released.

24 Street, Brigadier G. A. Born 1894. Educated Sydney Grammar School and Sydney University. Served A.I.F., 1914-19, including Gallipoli landing; mentioned in despatches and awarded MC; Colonel Commanding 3rd Cavalry Brigade since 1935; MHR for Corangamite since 1934; Minister for Defence, 7 November 1938 to 13 November 1939 when Defence Department was split; Minister for the Army, 13 November 1939 to 13 August 1940 when killed in aircraft crash.

25 CAO, CAB 1971/216 Council of Defence, Minutes of Meeting 5 July 1939, Agenda 9, 'Defence Policy Review by Chiefs of Staff'.

with nearly complete control of sea communications in the Western Pacific Oceans.\textsuperscript{26}

The Chiefs of Staff noted the latest British assurances (Chamberlain's telegram of 20 March) and admitted these were vital, yet they made only passing reference to the extent of British qualifications and made little attempt to assess the difficulties which were likely to arise in the Atlantic to delay the sending of the fleet. From the vantage point of history, one may justifiably ask why the Australian Chiefs of Staff omitted to examine such fundamental problems.

Basically, the old policy was persevered with because it was too late to arm sufficiently for there to be any other alternative. As the review stated (or, more accurately, re-stated):

For Australia to build up her sea, land and air armaments to a scale great enough to deal single-handed with Japan is presumably impossible.\textsuperscript{27}

The alternative of help from the United States was a possibility, but a much more uncertain proposition than help from Britain, even qualified as that now was. The Chiefs of Staff thus suffixed their view, quoted above, with the comment:

...in view of the assurances received from the United Kingdom Government, and while far from underrating the value of a strong Australian Navy, Army and Air Force, as a deterrent and as a possible Imperial reinforcement, we are of the opinion that preparations to meet the maximum scale of attack need not be attempted.\textsuperscript{28}

Although Bruce's American stop-over indicates a growing inclination to take notice of the United States, a gross change of policy by the Menzies Government was not an apparent viable military alternative.

In addition, British weakness was seen as a temporary phenomenon. The increase in British expenditure on armaments

\textsuperscript{26} ibid., p.2.

\textsuperscript{27} ibid.

\textsuperscript{28} ibid.
was generally recognised. The design advances in all areas of military equipment, and most especially in aircraft, were well known to the Chiefs of Staff and to the Government. The Admiralty prediction that mid-1938 to mid-1939 would be the most critical time in terms of capital ships was also well known in service and Government circles. From the summer of 1939 onwards the Admiralty had predicted that the new building programmes would begin to produce increasing results. The Council of Defence was told that 1943 should once more see Empire defences fully developed.\(^{29}\)

In mid-1939 there was a sense that the nadir had passed and rearmament was beginning to gain momentum. There was no way of knowing that war would break out in two months. The Empire had been on the brink of war, it seemed, since late 1935. The Imperial Cabinet had successfully kept the Empire out of war for nearly four years. The position in the Far East, the most potentially dangerous to Australia, was slightly alleviated by the possibility of Russian cooperation with Britain and by an eroding of isolationist views in the United States.\(^{30}\) There was thus room for cautious optimism. Even the qualified British assurances regarding a fleet for Singapore did not leave Australia bereft of hope and there were few who lacked faith in the fundamental British resolve to maintain the Empire.

\(^{29}\) ibid.

\(^{30}\) As has been noted in Chapter 7, negotiations on naval matters had been taking place between the RN and USN since 1935. By 1939 Anglo-French-Russian negotiations seemed to be making progress, especially in the area of an agreement to guarantee Poland against the threat of German aggression. It was a decided shock to the British and French when the Russians concluded an agreement for non-aggression with Germany in August 1939. See G. Warner: Pierre Laval and the Eclipse of France, p.147. It was also a decided shock to the Japanese, who were involved in continuing incidents with the Russians in Mongolia and Manchuria until they made their own peace with the Russians. See also report by Hughes to Council of Defence, op.cit., 5 July 1939, on Anglo-Russian negotiations.
However, faith in the intentions of the Empire's leaders and lack of detailed knowledge of the internal debate in Whitehall led to the Australian policy review understating the risks involved in Australia's naval policy. Both the Chief of the Naval Staff and the Chief of the General Staff were British officers and they could not be expected to be greatly sceptical of the measured pronouncements of their own Chiefs of Staff and Cabinet. Menzies was sceptical enough to seek on 24 June a re-statement from Chamberlain that a fleet would be despatched to Singapore. However, this produced no additional information whatever. On 29 June Chamberlain, acting on the advice of his Chiefs of Staff, telegraphed suggesting that Menzies might not have seen his telegram to Lyons of 20 March 1939. Chamberlain merely repeated the text of that telegram and stated that the assurance given there held good.

Even so, the Council of Defence on 5 July took the step of raising the level of threat which Australia should prepare to meet, from minor - the old raids policy - to medium - described by the Chiefs of Staff as heavy raids and minor temporary occupation. The Chiefs of Staff left aside the 'latent possibility' of American help and recommended an army of 36,000 men. Achievement of the target of defence preparedness set by the Council of Defence the previous year was postponed from mid-1939 to the end of 1939. Menzies was still concerned to get quick action for the money.


allocated but the allocation remained limited. The meeting reconsidered the matter, raised at the previous meeting on 25 January, of the delay in deliveries of equipment ordered in Britain and again considered the possibility of buying American equipment. The Navy continued to oppose such a course, claiming the overriding importance of interchangeability with the RN, although both the Army and the Air Force were already using some American equipment and were prepared to seek more from that source. For the RN, however, the question was no longer relevant as the only items which could be acquired in the short time demanded by the Government were destroyers and small vessels which were built in Australian yards.  

The difference between the official British reassurance to Menzies and the considerable shift in British naval policy might have been admitted when Bruce and Nash, the New Zealand High Commissioner, were briefed by Chamberlain on 18 June.  

However, Chamberlain took a somewhat scholarly approach by examining each of the factors which the CID had raised. He avoided giving any specific opinion on what British priorities should be and then side-tracked the discussion by raising the quandary of what the United States would do. Bruce advanced the Australian view that the Tientsin affair had been badly handled, agreed that some form of retaliation was necessary against Japan but preferred increased assistance to China in preference to other alternatives, and then assured Chamberlain of Australian cooperation if sanctions should prove necessary. He warned, however, that if it came to armed conflict Australia would wish for specific information regarding the despatch of a


34 Cab 2/9, Annex to 362nd Meeting CID, 26 June 1939. It is not clear from the minutes whether Bruce was allowed to see a copy of DP (P) 55. Chamberlain had announced his intention to the CID on 2 May of briefing Bruce, who, he felt sure, would endorse the modification of policy. Cab 2/8, 355th Meeting CID, 2 May 1939.
fleet to Singapore. Taking up Chamberlain’s mention of
the United States, Bruce gave an account of conversations he
had held during his recent visit there. He
related his impression that American opinion would be less
isolationist in regard to a war against Japan than in
Europe and related a conversation in which he had asked
the President:

what he would do if the Japanese were to send
naval forces south of the Equator. Mr
Roosevelt had replied, ‘You need not worry,’ 35
Bruce tried to return to the subject of the 1937 promise
of a fleet for Singapore, saying he had doubted the
possibility as far back as 1938 of a fleet being sent in
the event of war with Germany, but:

he had been assured by the Admiralty that it
was the firm intention to send seven
battleships... He had therefore been
surprised when he saw the Prime Minister’s
telegram of the 20th March 1939, to the late
Mr Lyons. 36

He was prevented from developing his enquiry by an
intervention by Chatfield and the meeting closed
inconclusively. One gets the impression from the minutes
that it was designed to close in such a fashion.

Both the meeting with Bruce on 28 June and the
telegram to Menzies of 29 June 1939 conveyed far less than
a complete picture of the situation at Whitehall. On
26 June, the CID had held a lengthy discussion on the Far
East. Considerable reserve was expressed on the subject of
sending capital ships to the Far East, although no conclusion
was recorded in that regard except that six capital ships
was the minimum which should be retained in Home Waters and

35 Cab 2/9, Annex to 362nd Meeting CID, 26 June 1939.
36 ibid.
even that was 'cutting it very fine'. The mood of this meeting was not conveyed to either Bruce or Menzies. Nor were the British more forthcoming on 11 July, when a meeting between Bruce and Inskip, Chatfield, Stanhope and Pound, was called at Bruce's request do discuss the size of the fleet for Singapore and the time at which it would be despatched.

On this occasion Bruce lost no time in taking the Admiralty to task for shifting their ground. He emphasised that it had been he who had been responsible for doubts regarding the Admiralty's ability to send a fleet to Singapore in view of the possibility of the German pocket-battleships breaking out to raid trade routes on the Atlantic. However, the Australian Government had been assured up until 20 March, as he had been assured personally by Backhouse the previous November, that 'no anxieties in regard to the Mediterranean would interfere with the despatch of a fleet to Singapore'. The Australian Government were at a loss to understand what was meant in Chamberlain's telegram to Lyons of 20 March by the phrase, 'a combination never envisaged in our earlier plans'. The possibility of

37 In January 1938 Captain R. E. Ingersoll, USN, and Captain T.V.S. Phillips, RN, conferred in London on the size of the RN contribution in a war between America and Japan. Phillips agreed to recommend a British fleet at Singapore if Japan moved south and an American fleet were based at Pearl Harbour. In May 1939 the Admiralty approached the US Navy Department suggesting that if Britain were at war with Germany and Italy it might be impossible to send a British fleet to Singapore. The USN were asked to undertake the defence of the Malay Barrier. Nothing was decided at the time but the American plan, 'Rainbow I', was based on the assumption of no British fleet in the Pacific. S.E. Morison, History of United States Naval Operations in World War II, Vol.III, p.49.
Neither the Australian Government nor the ACNS was informed of these meetings. Gill, Navy, 1939-1942, p.43.

38 Pound became First Sea Lord and Chief of the Naval Staff on 15 June 1939, succeeding Backhouse who retired through illness and who died shortly afterwards. Prior to his appointment as First Sea Lord, Pound had served as C in C Mediterranean Fleet since 20 March 1936.
having to fight Germany, Italy and Japan at the same time, Bruce noted, had been clearly envisaged in his conversation at the Admiralty the previous November. To calm a tart exchange between Inskip and Bruce, Chatfield intervened to explain how the possibility of Japan declaring war before Germany and Italy jeopardised the Admiralty strategy of dealing with Italy first. He put his view to Bruce that:

we ought not to abandon the Eastern Mediterranean until the very last moment.

Bruce enquired about reserves at Singapore and was informed of the decision at the last meeting of the CID to extend the period before relief from seventy to ninety days. Bruce, on pressing in his concluding remarks for information as to British plans in the event of Japan declaring war first, was told by Inskip that no definite decision had been taken on that point. The meeting ended without a re-statement of the 1937 promises and without a detailed commitment in their place.

Admiralty 'inclination' had changed to such an extent that the assumption upon which Australian naval policy was based was no longer in accord with Australian needs. Although the promise of ultimate British protection was still generally admitted by the British Government, the limitations to the speed with which that protection might be afforded had been so revised as to greatly increase the risks to Australian security. The speed with which Admiralty inclination changed, together with the Imperial Government's reluctance to reveal the extent of the change, mitigated against the Australian Government's taking adequate compensating action. Had the British Chiefs of Staff and

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39 He might also have added (though he did not) that the combination was one of the alternatives considered in the two main papers on defence presented to the 1937 Imperial Conference.

40 Cab 2/9, Annex to 362nd Meeting CID, 26 June 1939.

41 One cannot say strictly that 'policy' had changed for the policy remained as stated to Lyons by Chamberlain in his telegram of 20 March 1939. See footnote No. 13.
their political leaders admitted in 1937 the realities which were forced upon them in 1939, viz., that in the existing situation the Far East would receive so low a priority that extensive Australian re-armament was an urgent matter, the Australian Government may have been forced to broaden its limited fiscal horizons and spend in 1937 an amount approaching that which was spent in 1939. The continued playing-down by the British leaders of the worst possible case alternative was one, though not the sole, fundamental cause of the 'business as usual' attitude of the Australian Government - preparation for war without great sense of urgency or total involvement.

In Australia, insufficient critical analysis had been directed toward the Empire relationship. Had this relationship been solely of the nature of a defensive alliance, its value in that role may have been more adequately assessed. However, the complexity of the Empire relationship made a critical analysis of one of its elements the more difficult. Diplomatically and economically there was a closer relationship between Australia and Britain in the late 1930s than at the beginning of the decade. The increased frequency of telegrams between the Dominions Office and the Prime Minister's Department in Australia from the Czechoslovakian

42 See Appendix I. Naval Expenditure in 1937/38 was £3,093,923 compared to £1,529,000 in 1939/40, followed by £21,974,000 in 1940/41. The figures for Defence expenditure as a percentage of Gross National Product indicate a slight rise from 0.83 per cent in 1934/35 to 1.85 per cent in 1938/39 from where it jumped to 5.45 per cent the following year. These figures indicate a growth in Defence expenditure as continued recovery from the depression was assured. However, in the same period Public Authority expenditure as a percentage of Gross National Product declined from 23.4 per cent in 1934/36 to 20.6 per cent in 1937/38 from where it increased to 22 per cent the following year and to 24.5 per cent in 1939/40. The latter category indicates a degree of consideration for private sector spending at the expense of the public sector which might have been reversed had the Government felt more urgency in regard to defence. This is borne out by the figures for Defence expenditure as a percentage of Public Authority expenditure.

43 Spencer indicates the attitude of 'business as usual' in describing his term as Federal Treasurer from 1939 to 1940, Politics, Chapters 7 and 8. The domestic and political situation in which the Lyons and first Menzies Governments worked are outlined in Hasluck, Government 1939-41, Chapter 2.
crisis onwards can be clearly observed in the official records. Published works dealing with the Empire and Commonwealth burgeoned in the later 1930s. On the economic front, the retraction of British world-wide investment as a result of the depression, the concentration of British investors in the area directly linked with sterling, and, in addition, the Dominions and Britain being forced off the gold standard, added weight to the concept of Empire solidarity embodied in the Ottawa Agreements and the formation of the 'sterling bloc'.

Critical analysis was also hindered by the prestige which Australia gained from membership of the British Commonwealth of Nations. Australia's position at the Paris

44 See bibliography.

45 The 'sterling bloc' was not a formal alliance so much as a tacit understanding to pursue a common policy in favour of stable commodity prices. Members of the bloc were likely to be outlets for British investment. J.D.B. Miller, Britain and the Old Dominions, p.124. The bloc was given greater formality in 1939 with the recognition of a formal 'sterling area'. In a contemporary paper read to the British Commonwealth Relations Conference in 1938, G. L. Wood examined the interconnected economics of 'Sterlingaria' in an endeavour to put disgruntled nationalism in its proper context. He emphasised:

within [the Sterlingaria] system...the
dependence is not one-sided but mutual. The
economic interests of debtor and creditor, of
investor and entrepreneur, of exporter and
importer are not identical, but they all
depend on a common prosperity.

AIJIA British Commonwealth Relations Conference, 1938.
G. L. Wood, 'The Financial Nexus Between Britain and
Australia', Australian Supplementary Papers, Series C, No.1,
p.5. Wood, G.L. Born 1890, Launceston; graduated University
of Tasmania, 1912; Assoc. Professor of Commerce, Melbourne
University, 1925; appointed member Commonwealth Grants
Commission, 1936. Publications, Tasmanian Environment, The
Pacific Basin, and Borrowing & Business in Australia.
For Wood the common prosperity was the overriding
consideration in the Empire relationship.
Peace Conference and subsequently in the League of Nations and other international organisations resulted in large measure from the Empire relationship. Within the Empire relationship Australia had the prestige of pioneering the concept of independent Dominion navies and, in 1939, still possessed the largest of them. There was, among Australian leaders, a sense of Australia as a 'responsible' member of the Empire by reason of her contribution to Empire defence and in contrast to what was seen as the persistently 'uncooperative' stance of Canada and South Africa. There was also a sense of superiority vis-à-vis New Zealand. This impression is particularly evident in relation to the Pacific Defence Conference of April 1939. The Conference was the result of a New Zealand initiative. Colvin was reluctant to support the idea when it was first mooted as he felt most of the proposed topics had been covered at the 1937 Imperial Conference. Shedden was unwilling to be involved in the Conference as he felt it would achieve little by discussing defence questions divorced from CID advice - as he put it, 'authoritative opinion existing in London'.

By August 1939, then, the Australian Government had begun to suspect the considerable qualifications to the main fleet to Singapore policy privately accepted by British leaders.

46 CAO, MP1049, Series 9, 1846/4/101. Shedden also attempted to avoid a visit from the New Zealand Secretary of Defence who wished to see how the Australian defence effort was organised. Shedden pleaded lack of time. Persistence and prodigious preliminary paperwork by the New Zealanders overcame Australian reluctance and a delegation of six service personnel led by Colvin, who also acted as Admiralty representative, attended the Conference which began on 14 April 1939 in Wellington. It was noticeable that 'Neither United Kingdom nor Australian delegations made any proposals to amend or to extend the Agenda'. The Conference was given no press coverage in Australia. Colvin's report of the Conference to the Minister for Defence reflects his air of seniority over New Zealand, a sense which the RAN shared, and it described the New Zealand desire for cooperation with Australia in vaguely paternal overtones. Elsewhere Colvin reported: 'the genuine appreciation of, and indeed surprise of New Zealand at the magnitude of the Australian Defence effort.'

Ibid., Colvin to Street, 1 May 1939.
Full realisation of the suspicion was allayed by the Australian position within the Empire relationship. In any case, Australian leaders felt they needed a protector and there were few who seriously considered deserting the existing relationship in search of a new protector. However, supply delays had forced the Menzies Government to look to the United States for Army and Air Force equipment and Bruce's visit to the United States in April was a prelude to greater Australian attention in that direction. The RAN, as a conservative element in the Empire relationship, resisted American equipment, and, for a time, was to remain staunchly British in its orientation. However, the politics of the Empire relationship, upon which Australian naval policy was heavily dependent, were entering a period of profound change.
CHAPTER FOURTEEN

AUSTRALIA'S NAVAL DEFENCES ON THE EVE OF WAR

Tactically, naval vessels are capable of considerable flexibility. Strategically, however, a naval service is confined to the limits dictated by its command structure and equipment. Therefore, at this point in the thesis, it is convenient to examine the capacities and limitations of the RAN which followed from the policies and events considered in preceding chapters.

At the outbreak of war in September 1939 the RAN was oriented toward two objectives: supplementing RN units overseas, and protecting trade on the Australia Station (see Map 1). The support of Empire role was based upon the pre-World War I understanding that Australian naval forces would be placed under the control of the Admiralty by the Australian Government at the outbreak of war. This understanding had not been re-negotiated at the end of World War I and its acceptance by British and Australian Governments remained the basis of Australian naval involvement in Empire defence throughout the inter-war period. Although some RN officers such as Everett were concerned at the somewhat informal nature of the understanding, the Admiralty did not try to formalise it further.
The RAN's trade protection role in the period after the outbreak of war against Japan and prior to the arrival of a British fleet was confirmed in War Memorandum (Eastern) of 8 June 1937.\(^1\) The overall object of Empire forces in the Far East was defined as being 'The Security of the SINGAPORE base and its facilities'. Within this object, the specific responsibility of HMA Naval Forces was laid down as being the defence of trade in Australian waters.\(^2\) The revised RAN role was reflected in the command structure outlined in the Memorandum. The Australia Station was broken up into three command areas, viz., Darwin, South Eastern and Western. The northern limit of the Australian area was revised to be 15° South Latitude, thus putting the Darwin command outside the Australian area of responsibility.\(^3\) The Darwin forces were to consist of ships manned by RN reserves, under the higher command of the C in C Far East. These forces were to be used for harassing Japanese trade. The South Eastern and Western forces were to be under the higher command of the ACNB. These forces were to consist of HMA Squadron of cruisers, destroyers and escorts, as well as armed merchant cruisers (AMCs) taken up at the outbreak of war, manned by the RAN and responsible for the protection of trade. All three

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\(^1\) The Admiralty's deletion of the RAN from the responsibility for harassing enemy forces attacking Singapore and their restriction of the RAN to solely a trade protection role were noted in Chapter 8. The amended responsibility of the RAN in a Far Eastern war was made explicit in the War Memorandum (Eastern) 1937. Adm 1/9530.

\(^2\) CAO, MP1049, Series 5, item 2028/2/333. 'Eastern War - Disposition of HMA Naval Forces'. This was reflected in Colvin's summary of the Navy's role to the Council of Defence on 24 February 1938 where he said:

On the outbreak of a Far Eastern War, the Admiralty have assigned to the Royal Australian Navy the responsibility for the defence of seaborne trade in Australian waters and to act as a deterrent to coastal raids...

CAO, CSS A1071/216 Council of Defence, Minutes of Meeting 24 February 1938.

\(^3\) Responsibility for operations in Papua New Guinea remained with the ACNB.
command areas were to come within the overall command of C in C Eastern Forces when he was appointed. The command structure gave the ACNB an active command function which it had not held in 1914. However, the structure divided the Australia Station in such a fashion that the Australian Government and the ACNB were deprived of responsibility for its northern approaches which, with the lack of responsibility for offensive action outside it, tended to confirm, at the command level, local defence sentiments which were already prevalent at the political and public level. The removal of direct responsibility to contribute toward the naval defence of Singapore was a further barrier to detailed Australian interest in Singapore until it was too late to affect the outcome.

The threat which Australian naval forces were expected to meet consisted of attacks on trade by cruisers, AMCs, submarines, and sea-borne aircraft. Attacks by Japanese capital ships and aircraft carriers in the area of Australian responsibility were ruled out at this time. Heavy attacks upon trade in the early stages of an Eastern war by the abovementioned forces were considered probable especially off the south eastern coast. These were taken

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4 Adm 1/9530. The air base at Darwin was intended for the use of the RAF not the RAAF. CAO, CRS A2697, Vol.1, Australian Cabinet, Minutes of Meeting 29 August 1939.

5 The command structure also gave effect to the policy of the ACNB that HMA Squadron was only one element of the forces afloat controlled by the ACNB. See the controversy in the early 1920s regarding conferral of the title 'Commander in Chief' to the FOCAF. CAO, MP1049, Series 1, item 18/0789 and item 19/046. The Admiralty advised use of the title C in C to give the Australian officer parity with British officers in similar positions. The Attorney General's Department advised that there was no legal impediment to its use but the ACNB at the behest of the Second Naval Member, Commodore Gordon Smith, RN, refused on the grounds that the FOCAF did not command all HMA ships. With the reductions of 1921–22 the ACNB no longer had enough ships to form a full Squadron, let alone command ships on independent service, although HMAS Moresby conducted her survey work under the command of the ACNB rather than the Commodores and Rear Admirals Commanding the Australian Squadron.
seriously by the Naval Staff as the cessation of, or serious interference with, Australian trade would have such a grave effect on the economic life of the country as to nullify its war effort.6

The Australian Naval Staff appreciation of the situation with which HMA Naval Forces might be faced during the period before relief, emphasised that the forces available were small in number compared to the large area to be covered (see Table 3). A convoy system was not possible, aerial reconnaissance was limited and, even with the existing destroyers converted to anti-submarine duties, by mid-1939 only the most vital points on the Australian coast could be protected. Defence of trade in Australian waters was uppermost in the priorities of the ACNB.7

The official historian has described the forces as 'an effective force'.8 However, the judgment of the Naval Staff prior to the outbreak of war was otherwise. Australia and Canberra were still regarded as powerful ships although experience against the Japanese Navy was later to show that British 8 inch and 6 inch armaments were inferior in range. Both ships were intended to be modernised with new high-angle 4 inch anti-aircraft guns and

6 MAO, MP1049, Series 5, item 2028/2/333. The badly organized systems of land transport between the major Australian centres concerned the Naval Staff and had been commented upon by Hankey in 1934.

7 In the case of a Far Eastern war, an Australian capital ship, if one were acquired, would reinforce the fleet when it arrived at Singapore but not before that time. However, detailed plans were not made for its disposition in Australian waters and the possibility of Australia acquiring a capital ship was ruled out in July 1939. Menzies noted that, as a new ship for Australia could not be completed before 1943, the most Australia could do at that time was to buy an existing RN ship. Such action, said Menzies, would merely transfer the cost of the ship to Australia: he was afraid we would have to get our minds off this question. The facts of the case were that £16,000,000 were not available for the purpose and the Government had no intention of providing it.

8 MAO, CRS A1197/216, Council of Defence, Minutes of Meeting 5 July 1939.

9 Gill, Navy, 1939–1942, p.44.
Table 3

By mid-1939 Ocean Going Force of the RAN consisted of the following:

<table>
<thead>
<tr>
<th>Ship</th>
<th>Displacement</th>
<th>Main Armament</th>
<th>Speed Knots</th>
<th>First Commissioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>'County' Class Cruisers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>10,000</td>
<td>8 x 8&quot; guns</td>
<td>31.5</td>
<td>1928</td>
</tr>
<tr>
<td>Canberra</td>
<td></td>
<td>ditto</td>
<td>&quot;</td>
<td>1928</td>
</tr>
<tr>
<td>'Leander' Class Cruisers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sydney</td>
<td>7,000</td>
<td>8 x 6&quot; guns</td>
<td>32.5</td>
<td>1935</td>
</tr>
<tr>
<td>Hobart</td>
<td></td>
<td>8 x 21&quot; torpedo</td>
<td></td>
<td>1936</td>
</tr>
<tr>
<td>Perth</td>
<td></td>
<td>tubes</td>
<td></td>
<td>1936</td>
</tr>
<tr>
<td>Cruiser</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>5,100</td>
<td>8 x 6&quot; guns</td>
<td>25.5</td>
<td>1922</td>
</tr>
<tr>
<td>Destroyers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stuart</td>
<td>1,530</td>
<td>5 x 4.7&quot; guns</td>
<td>36.5</td>
<td>1918</td>
</tr>
<tr>
<td>Vendetta</td>
<td></td>
<td>4 x 4&quot; guns</td>
<td></td>
<td>1917</td>
</tr>
<tr>
<td>Voyager</td>
<td>1,100</td>
<td>6 x 21&quot; torpedo</td>
<td>34</td>
<td>1917</td>
</tr>
<tr>
<td>Vampire</td>
<td></td>
<td>tubes</td>
<td></td>
<td>1918</td>
</tr>
<tr>
<td>Waterhen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>'Yarra' Class Sloops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swan</td>
<td>1,060</td>
<td>3 x 4&quot; AA guns</td>
<td>16.5</td>
<td>1937</td>
</tr>
<tr>
<td>Yarra</td>
<td></td>
<td></td>
<td></td>
<td>1936</td>
</tr>
<tr>
<td>Survey Vessel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moresby</td>
<td>1,320</td>
<td>1 x 3 pdmr gun</td>
<td>17</td>
<td>1918</td>
</tr>
<tr>
<td>Oiler</td>
<td></td>
<td></td>
<td></td>
<td>before 1919</td>
</tr>
<tr>
<td>Kurumbah</td>
<td>3,978</td>
<td></td>
<td>12</td>
<td>1919</td>
</tr>
</tbody>
</table>
directors, 4 pounder multi-barrelled Pom Poms and additional armour plating. The work was carried out on Australia in 1938-39, but the modernization of Canberra was never undertaken. The three 'Leander' class cruisers were modern light cruisers although experience was to show that torpedoes with which they were armed also were inferior to the Japanese. Adelaide was to have been converted to an oil-burning repair ship with heavy anti-aircraft armament. However, the need for trade protection cruisers was so great that apart from her conversion to oil-burning she was left in her original cruiser configuration except for the fitting to her of Australia's discarded anti-aircraft armament. Adelaide was not considered suitable to handle anything larger than an AMC and was to be used only in Australian waters. Had Brisbane not been scrapped in 1935, she too could have been used in this role and released another modern cruiser for other work.

The 'V' and 'W' class destroyers were nearing the end of their useful lives and were not considered suitable for fleet work with the cruisers. The Naval Staff intended to fit them with Asdic equipment and use them as anti-submarine, local defence vessels in Australian coastal waters. Had the 'S' class destroyers not been scrapped in 1934, they too could have been used in this role and freed

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9 CAO, CRS AA 1967/309, Box 35, item 17. The provision of this equipment illustrates the value of the Empire relationship to the RAN. The research and development work was carried out by the Admiralty and the RAN obtained the new equipment at cost price after it had been proved in British ships. CAO, MP1049, Series 5, item 1888/2/583. The Admiralty inconvenienced their own very tight programme to supply the equipment to Australia. Deliveries of the new Mark XIX twin 4 inch mountings were only just adequate to keep up with British ship construction programmes and the ACNB was asked not to order the equipment until they were ready to fit it to the cruisers so as not to leave it unused for any period of time. Naval Liaison Officer, London, to Secretary, Department of Defence, 11 August 1937. Ibid.

10 CAO, MP1049, Series 5, item 2028/2/333.

11 Ibid.
Australian building yards and capital for construction of more 'Tribal' class destroyers. Moresby was to be removed from survey work and also converted for anti-submarine duties. The 'Yarra' class sloops were built to an Admiralty design which aimed at producing a general purpose small vessel capable of anti-submarine, minesweeping and anti-aircraft duties. The result was not regarded as highly satisfactory by the Naval Staff in Australia. The vessels had too great a draught for minesweeping, too large a turning circle for anti-submarine work, insufficient astern power, and were considered to be insufficiently armed to combat modern aircraft. Further sloops of this class, Parramatta and Warrego, were commissioned in late 1939 and mid-1940 respectively.

When examined closely the force was not well balanced. The 'County' and 'Leander' class cruisers were the only ships judged capable of offensive action against regular surface or air forces. The remainder of the force was so obsolescent as to be judged suitable only for local defence duties. Even in the latter role their numbers were so far below requirements that by September 1941 the naval shipbuilding programme in Australia included sixty corvettes, twenty four of which were for the RAN. Without a destroyer escort the cruisers would be hard-pressed to operate as an independent squadron in a fleet action. In fact the CNS did not intend to use them for such. They were to be stationed at Sydney and Fremantle and they trained, working singly or in a company of two or three, against

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12 ibid.
13 CAO, MP1049, Series 5, 2026/2/152.
15 CAO, MP1049, Series 5, item 2028/2/333.
suspected enemy cruisers or AMCs raiding Australian trade routes.  

Arrangements were in hand by 1939 to build two 'Tribal' class destroyers, large craft with a heavy armament of 4.7 inch guns, but the decision to commence these had been postponed since 1936 and the first was not laid down until 1939. After the Munich crisis the destroyer programme was extended to three. The ACNB had also gained approval from Cabinet in 1938 for twelve motor torpedo boats to be built in 1940-41 but these were subsequently postponed in favour of a fourth 'Tribal' class destroyer.  

The ACNB maintained its request for a capital ship and four additional screening destroyers on a list of objectives which remain to be provided to give full effect

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16 See Crace Diaries, Hilken Diary and papers of Vice Admiral Durnford in the Imperial War Museum, London. Rear Admiral Sir John Crace, Born Canberra, 1887. Entered RN, 1902; Torpedo Officer HMAS Australia during World War I; Rear Admiral, 1939; RACAS (and Task Force 44), 1939-1942. Commander T.J.N. Hilken was Second in Command of HMAS Sydney, 1939-40. Vice Admiral J. W. Durnford served on loan with the RAN, 1928-32, when he was executive officer in HMA Ships Adelaide, Albatross, Brisbane, and commanded Australian destroyer flotilla; he was Second Naval Member ACNB, 1940-42.

17 Vice Admiral Hyde took issue with the Admiralty in 1935 over their advice, dating from the 1930 Imperial Conference, that Australia should build sloops instead of destroyers. Sec., Department of Defence to Sec., Admiralty, 1 October 1935. CAO, MPl049, Series 5, item 2026/4/23. The Admiralty reviewed the matter and advised that Australia should build a unit of four large destroyers as well as sloops. 'Draft Memorandum on the Question of Replacing the RAN Destroyers', dated 2 February 1936. ibid. Hyde wished to commence building the destroyers as soon as possible at Cockatoo Island Dockyard to keep the yard working. Memorandum to the ACNB, 15 April 1936. ibid. The Naval Staff advised the 'Tribal' class as the type to build in June 1936. CAO, MPl049, Series 9, item 1855/2/41. The Government postponed a decision, seeking further discussion with the Admiralty at the Imperial Conference the following year. The extent to which this was affected by the unfortunate relationship between Hyde and Parkhill must remain conjecture. The Australian Naval Staff were confident that the 'Tribal' class was the type of ship needed to counter the new Japanese 'Fubuki' class destroyers then coming into service. However, the two 'Yarra' class sloops were laid down instead to keep the yard working.

18 CAO, CKS AA 1967/309, Box 33, item 7.
to the Government's policy', until Menzies refused the request, in mid-1939, as noted above.

Hence, at the outbreak of war Australia could make no naval contribution to Empire defence without increasing the risks to trade on the Australia Station. The risks on the Australian coast would not be as great in the case of a European war as in an Eastern war and naval dispositions provided for two cruisers to be released from the Australia Station in a European war. Yet, during a concurrent Eastern war, when the risk to Australian trade would be greatest and Australian ships needed in home waters, Empire strength in the Far East and the Pacific would be most in need of support. To augment Empire strength beyond the cruisers in either case would involve sending the smaller ships into theatres for which they were judged to have insufficient performance. This, in turn, would place the ships and their crews in a position of greatly increased risk. Although the RAN was the only one of the three Australian armed services judged ready for war in 1939, the economy which had been forced upon the service during the inter-war years was to be a continuing handicap. The five cruisers were impressive ships, but they alone could not cover the various areas of responsibility in the naval defence of Australia and Australian interests.

Plans had been prepared to take up light vessels at the commencement of war and fit them for anti-submarine and port examination work. Plans also existed to take up merchant ships and fit them as AMC s. Details of these and other preparations are to be found in the Official History.19

A new class of escort vessels, originally called Australian Mine Sweepers (AMSs) and finally corvettes, were the first vessels designed specifically for Australian conditions and their design emphasises the defensive responsibilities of the ACNB as well as the elementary state of the Australian shipbuilding industry. They were built, not to work in the Malayan, Indonesian or Melanesian

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19 Gill, Navy, 1939-1942, Chapter 2.
archipelagos, but for anti-submarine and minesweeping duty
in Australian focal areas in the Tasman Sea, Bass Strait
and off Cape Leeuwin. The anti-aircraft role was
considered only marginally applicable to Australia's needs.20

It was not, however, only in the design of its light
vessels that the RAN was oriented toward a defensive posture.
The RAN was not organized to operate as a unit in an
independent offensive role. This was true of the ACNB's
orientation as well as the Navy's equipment. At the Council
of Defence meeting on 24 February 1938, Colvin was
questioned by Hughes on the wisdom of the RAN once more
acquiring submarines and replied that submarines:
were more effective in attack than defence. It
was purely from the defence point of view that
his recommendations in regard to the Royal
Australian Navy were made.

Responsibility for operating in an offensive role outside
Australian waters rested with the Admiralty and was not a
matter with which ACNB or the Australian Government was
directly concerned.21 Consequently, as a force providing

20 Collins noted the lack of vessels in Australia comparable
to the trawlers earmarked for minesweeping and anti-submarine
duties off British ports by the Admiralty.

21 COO, CRS AA 1971/216, Council of Defence, Minutes of Meeting
24 February 1938. The point of a defensive orientation is
not meant to imply that individual units were not capable
of offensive action. The general-purpose nature of
cruisers and destroyers and the high standard of training
received by the RAN, as well as the experience gained by
war and exchange service with British fleets meant that RAN
units were very capable of offensive action when serving
with RN units. Also, the RAN was not unfamiliar with waters
outside the Australian area. The squadron had cruised
during the inter-war period throughout the Netherlands East
Indies and the Western Pacific. Elements had also gained some
experience in the Indian Ocean and the China Seas.
naval defence of Australian interests, the RAN was inadequately equipped in four significant aspects. It had no submarine service, it had no equipment for mobile afloat support although it was familiar with areas which could have been used as mobile harbour bases, it had no means besides British sources for intelligence gathering or for long-range reconnaissance, and in the field of offensive air support the RAN and RAAF were backward in the extreme.

The German submarine campaigns of World War I had shown the effect which a smaller navy using submarines could have upon a larger navy. One of the taunts which the traditionalists of the RN cast in the teeth of their submarine service was that submarines were the weapon of a weaker power. The emotional impediment on the part of the RN toward developing the full capacity of the submarine has already been mentioned. The RAN, served by RN officers on loan and RN trained Australian officers, was not regarded as a navy of a weaker power which might thus profit from the use of submarine warfare.

As submarines were not suitable for local defence there was little pressure for their use in the RAN during the 1930s. The Admiralty, concentrating on the concept of fleet gunnery actions, largely dismissed the usefulness of submarines against Japan. RN submarines were kept at times during the inter-war period at Hong Kong and at Singapore. However, they were regarded as too much trouble to be kept

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23 Added to the above problems was the paucity of hydrographic information on the Australian coast. We were to regret later that we had not pushed on with the hydrographic surveys of the North Coast of New Guinea, as we lacked good charts of the area when we needed them in 1943, but there seemed other items of higher priority. Collins, As Luck, p. 71.

24 See Roskill, Naval Policy, p. 537. Richmond, while C in C East Indies, urged the Admiralty to build up a submarine force in the Netherlands East Indies and Hong Kong to force the Japanese to divert ships away from fleet duties to convoy trade. Richmond to Admiralty, 14 June 1924. Richmond Papers, RIC/5, NMM.
on defensive patrol of channels which could be used by an enemy en route to Singapore, although, in the event of a Japanese amphibious landing in the Singapore area, it was admitted by the Admiralty that they had some relevance in local defence of Singapore. Their offensive use against Japan does not seem to have been seriously planned, even though it was admitted that until a European war had been resolved, British forces in the Far East would have to act on the defensive—in other words, as an inferior force which could cause considerable nuisance by a submarine campaign.25

Colvin admitted that submarines would be of service also in repelling an invasion of Australia but, as that contingency had been ruled highly unlikely, the usefulness of submarines was not pursued.26 As long as an RN submarine could be sent to Australian waters occasionally to help train RAN Asdic operators, the Naval Staff were satisfied. In fact British submarines had been withdrawn from Singapore by 1939 and it was not until US submarines began operating out of Perth and Albany in 1942 that Australian anti-submarine vessels had the opportunity of training against a submarine.27

Mobile support, both in terms of re-supply afloat and of mobile harbour organization, was a subject that was discussed in a desultory fashion throughout the inter-war period by the Admiralty. The Admiralty staff were aware of American progress in the use of mobile support in general and they were also aware of the strides made by the German Navy.

25 Chatfield urged in 1939 that Singapore be reinforced by a number of submarines earmarked for reconnaissance duties in the North Sea. Cab 2/9, 362nd Meeting CID, 26 June 1939. However, the Admiralty refused to diminish their reconnaissance forces in the North Sea as aircraft with sufficient range were still in the development stage. Cab 2/9, 373rd Meeting CID, 3 August 1939. CID Paper 1581-B.

26 CAO, CRS AA 1971/216, Council of Defence, Minutes of Meeting 17 December 1939.

27 CAO, MP1049, Series 5, 2005/2/154. The most common comment from RAN ships which were able to train against submarines was the contrast between the speed with which everything happened in the 'live' situation and simulated action.
in the late 1930s in the techniques of re-supply afloat, especially of their submarine force. However, the use of mobile support was not a serious necessity in Home Waters and the Admiralty, never over-endowed with finance, were not in a position where they were forced to relinquish their world-wide network of bases and rely on afloat support. The traditions of centuries of Imperial power were too strong. In 1926 Vice Admiral Dewar prepared a report for the Admiralty Staff in which he noted the progress made by the United States in the field. The same year the Admiralty discussed with the Defence Department in Australia the possibility of a mobile harbour organization in the event of a Far Eastern war. The Australian Squadron surveyed harbours in the course of annual cruises in the New Hebrides between 1929 and 1931 but no concrete plans seem to have been made and no equipment was gathered for the purpose by the RAN.

The Admiralty were aware that islands of the Indonesian and Melanesian archipelagos were well suited for the employment of mobile support facilities. Vice Admiral Sir Frederic Dreyer emphasised this in two papers sent to Admiralty in 1939. His views were 'entirely concurred in' by the Director of Plans. Dreyer also emphasised the use which the Japanese could make of the same areas to control

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28 Unsigned note in Dewar Papers, NMM. 'Certain Suggestions Resulting from a Comparison Between the Mobility of the British and American Fleets'.

29 CAO, MP 1049, Series 5, item 1824/2/87.

30 In the Dewar memorandum, quoted above, the necessities of mobile afloat support were detailed:

Special training and organization are essential for this kind of operation. Tankers must be manned by naval crews and provided for with fittings for easing the strain on hawser in rough weather. Fuelling at sea must be frequently practised as in the American and German Navies. The provision of concealed armaments, on the lines of Q ships, might also be considered for certain tankers. Arrangements for meeting at sea, the transmission of bogus wireless messages in Japanese mercantile code etc. would also require careful organization...

Dewar, op.cit.
the Netherlands East Indies and to attack Australia. As may be seen from Collins' account of his work at Singapore in 1941, no plans for offensive action against hostile Japanese forces appear to have been prepared. The Admiralty had not been completely inactive on the question of a fleet train and mobile base facilities. They set up a committee to examine the matter in 1936 and its report was received in 1938. One of the emergencies postulated by the Committee was the loss of Singapore. However, the Admiralty ruled that Singapore should always be regarded as available, and little was achieved before war broke out.

31 Adm 1/11326. Dreyer had spent twelve years at the Admiralty including five years in two appointments on the Naval Staff. He was Deputy Chief of Naval Staff, June 1930 to January 1933, and was then posted as C in C China for three years. It is worthy of note that the Director of Plans, in his covering comments, discussed the strategic situation with the possibility in mind of the US Navy also being at war with Japan.


33 S. W. Roskill, The War at Sea, 1939-1945, Vol.III, Pt.II, Appendix P. 'The History of the Royal Navy's Fleet Train'. The efficacy of both re-supply afloat and specially equipped mobile harbour organizations is well demonstrated by the success the Americans had with their use of such methods during the Pacific operations. Roskill answers American criticism: that the chief cause of our difficulties was a lack of foresight in planning to substitute a floating and mobile supply organization for the fixed bases on which our fleets had relied for several centuries...

ibid., p.330. While one would not in any way wish to belittle the terrible attrition suffered by British shipping during the War, Roskill would seem to be claiming too much in stating 'there is no substance whatever in such charges'. The substance to the charges is that the Admiralty might have begun planning a decade earlier when the United States and Japan had begun such planning. The overriding problem in that regard was finance. In Australia the ACNB was bereft of initiative at a policy level because of its dependence upon the Admiralty and the tight financial situation. It failed during the 1930s to discern the differences between war in the Pacific or Indian Oceans, where defence of Australia would primarily occur, and war in the narrower waters of the North Sea, North Atlantic or the Mediterranean, which were the traditional centres of British naval warfare and where Australian cruisers served most of their exchange duty.
The terrible losses in British shipping then prevented work on the scheme until late 1944.

Australian reliance upon British sources of intelligence, both service and diplomatic, has been commented upon in a previous Chapter. 34 The RAN was equally reliant upon British sources for all but the most limited tactical reconnaissance. The return of the 'C' class submarines to Britain in 1930 removed one means of long-range maritime reconnaissance. 35 Air Force control of naval aviation and shortage of funds meant that the RAN did not develop significant independent capacity in the field of aerial reconnaissance. In 1939 the RAAF was equipped for maritime reconnaissance with twin-engined Anson aircraft whose endurance was small. They were to be re-equipped with American Hudson aircraft. The area which could be covered by either of these types of aircraft was severely limited. The Seagull V aircraft in Albatross, the two 8 inch cruisers and Sydney were obsolescent and had a short range. They were used for gunfire spotting, reconnaissance, and communication. 36

Naval aviation in Australia was still in its infancy in 1939. Once the Albatross had been handed over to the RN in 1938 as part payment for HMAS Hobart, the RAN could only operate catapult aircraft from Australia, Canberra and Sydney. The aircraft used, Seagull V amphibians, were not suitable as attack aircraft and could not be used except in favourable conditions as they depended upon fairly calm water to land without damage. The failure of the Australian Government to allow the RAN to follow up the innovations in naval aviation with which it had been associated in 1917-18 and again with the launching of Albatross contrasts

34 See Chapter Seven.

35 The RN was making extensive use of submarines for reconnaissance and surveillance of the German Navy in 1939. Cab 3/9, 362nd Meeting Cabinet, 26 June 1939.

unfavourably with the considerable advances of civil aviation in Australia in the inter-war period. That is not to say that the RAN was unaware of the threat from the air. The staff considerations of target aircraft indicate that the Navy was well aware of the danger of air attack. The desire to upgrade the anti-aircraft armament of the cruisers, even to the extent of removing the torpedo tubes on *Australia* and *Canberra* in order to install eight 4 inch high-angle anti-aircraft guns instead of the six weapons being fitted to RN ships of the same class, indicates a healthy realisation of the danger from air attack. Yet the RAN did not press for such aircraft themselves.37

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37 The RAN had continually to contend with conflicting RAAF priorities and scarce funds. The Naval Staff spent some time in 1936 devising ways of providing a second aircraft on the 8 inch cruisers and *HMAS Sydney* without downgrading their anti-aircraft armament. *CAO, MP 1049, Series 9, item 1821/2/60.*

The request for a second aircraft to be supplied to *Sydney* in 1936 was refused by the Air Board on the grounds that they had never planned to provide more than one aircraft for each cruiser. The Air Board noted that the Squadron's use of an aircraft solely for target towing had also never been planned. In view of the shortage of aircraft the Air Board felt there was good reason not only to refuse to supply extra aircraft but also not to embark aircraft if the vessels went overseas on exchange duty. *CAO, MP 1049, Series 5, item 1821/2/60.* Equally serious was the difficulty of providing for target aircraft. In 1936 the Naval Staff recommended the purchase of a remotely piloted target aircraft to provide more effective training than the standard practice of towing a sleeve behind an aircraft. Further investigation revealed the cost of the target aircraft system to be in the region of £10,000 which the Staff realised the Air Board would not be prepared to provide. Yet, a high standard of naval anti-aircraft gunnery was regarded as of great importance as the cruisers would bear the brunt of enemy air attacks, the likelihood of which was assessed to be heavy, especially in the early stages of hostilities when well trained pilots would be available to the enemy. It was not considered that exchange service and use of British equipment provided a solution to gunnery training as the results were lost as soon as a ship returned and paid off. The Naval Staff therefore considered that the target aircraft should be acquired out of naval votes. *CAO, MP 1049, Series 9, 1821/2/60.* The ACMB, however, was not prepared to pay for what was an Air Board responsibility.
The discussions regarding a capital ship for Australia considered in previous chapters focused on battle cruisers rather than small aircraft carriers such as both the US and Japanese Navies were building. In the inter-war period aircraft carriers were not regarded as being suitable for trade protection and the RN was still far more wedded to the concept of the battle line and the big gun than were the Japanese or the Americans. Japanese and American naval air power was fostered by the vast distances of the Pacific. For the British, able to operate primarily in the North Atlantic, North Sea or Mediterranean, the necessity for the Navy to take its air power with it was not deemed to be so urgent. 38

Nor was the RAAF equipped or trained to provide air power to work in conjunction with naval vessels. 39 The limited reconnaissance functions of which the RAAF was capable were coordinated only in a limited fashion with the RAN and ship to aircraft communication was rudimentary, where it existed at all. The air force possessed no long-range fighter aircraft, no dive bomber or torpedo aircraft capable of attacking shipping and no medium bombers. 40 Although the Air

38 When considering the growth of US and Japanese naval air power, it should not be overlooked that both the USN and the Japanese Navy clung to the concept of the battle line until after Pearl Harbour. However, the USN and the Japanese Navy moved further in the field of naval aviation than the RN during the inter-war period. See Roskill, Naval Policy, Chapter XV.
39 In mid-1939 the RAAF was equipped with:
  82 Anson twin-engined training aircraft converted for reconnaissance,
  54 Demon biplane fighters,
  7 Wirraway fighters,
  21 Seagull V amphibious bomber/reconnaissance aircraft.
The Anson, Wirraway and Seagull aircraft were each able to carry a 500 lb. bomb load. Gillison, Air Force, 1939-1942, P.57
40 The Australian situation was a reflection of the British. It was not until April 1943 that Bomber and Fighter Commands of the RAF accepted responsibility with Coastal Command as specified in the directive that:
The Royal Air Force shares with the Royal Navy the responsibility for sea communications within the range of shore-based aircraft.
Force tactical role included responsibility for offensive operations over the sea, the RAN had not pressed the RAAF to develop a capacity to engage in any maritime role other than reconnaissance.

Equally as serious as the shortcomings in service orientation and equipment was the insufficiently critical Australian faith in the foundation upon which Australian naval policy was built - the Singapore base. Quite apart from the flaws in the strategic concept of the base, once the Admiralty had decided they would not station a substantial fleet there prior to the outbreak of hostilities, popular thought in Australia regarding the base attributed to it a capacity which it plainly did not have. Since the acceptance of the concept in 1921 it had been referred to as the 'Singapore Naval Base' in official documents as well as common parlance. Yet for ten years, it was little more than a cleared area awaiting construction. It was not until 1938 that the graving dock was opened. Even then, the facility could not accurately be termed an operational base.41 Indicative of the problem was the terminology used in official Australian correspondence associated with the opening of the 'new graving dock His Majesty's Dockyards, Singapore'. 42 Official correspondence between the PMG Department and the Prime Minister's Department referred to arrangements for broadcasting the 'Opening of Singapore Naval Base'. The same terminology was used in many Australian

41 When the Luftwaffe seriously damaged HM Ships Barham, Warspite and Illustrious by dive bombing at the end of 1940 and beginning of 1941, the Admiralty asked permission to have them repaired in United States Navy Yards. Admiral Stark asked Why not at Singapore? The British then admitted they had neither the personnel, the spare parts, nor the machine tools to effect major repairs of capital ships at Singapore. Morison, Vol.III, p. 50; f/n.3.

42 S of S Dominion Affairs to P.M. Australia, 4 January 1938, CAO, A 1608, C/51/1/10.
official communications. The press were no more precise. It was typical of attitudes toward Singapore that the opening of the graving dock could be seen as the completion of the base. While this problem was, perhaps, not acute, the terminology which described Singapore as a 'fortress' was grossly misleading.

The concept of Singapore as a fortress was well cemented into usage in defence circles in Whitehall and Canberra/Melbourne by 1937. As already described, the Chiefs of Staff described Singapore as an impregnable fortress to Parkhill at the 1937 Imperial Conference. The impressive installation of 15 inch guns and seaward defences served to camouflage basic flaws in other directions. The water supply was piped across the causeway from the mainland which was not to be defended, according to appreciations made in 1939.\(^{43}\) Inaccurate assumptions were made in regard to the supposedly impenetrable jungles of Johore which resulted in there being no prepared landward defences on the island. In the absence of adequate naval forces the air force and army strengths considered necessary to defend the island were not provided by 1939.\(^{44}\) The all-pervading nature of the exaggerated assumptions held about Singapore at all levels in Britain and Australia is aptly summed up in the words of Churchill:

I ought to have known. My advisers ought to have known and I ought to have been told, and I ought to have asked.\(^{45}\)

Hankey was more caustic. He wrote to Richmond to compliment him on the draft of an article on sea power, saying it

\(^{43}\) For details of the official conflict regarding the defence of the whole of Malaya, as distinct from the Singapore area see C. A. Vlieiland, 'Disaster in the Far East, 1941-1942'. Unpublished manuscript, King's College, London. Vlieiland was Secretary for Defence in Malaya from 1938 to 1941.

\(^{44}\) For an entrée into the considerable literature upon the Malayan campaign, see B. Collier, The War in the Far East, 1941-1945, 1969, and S. W. Kirby, Singapore: The Chain of Disaster, 1971.

ought to be given to all Cabinet members:

All of them, Winston included, are totally ignorant of sea power and its importance.

The comment is applicable not only to the British Cabinet but also to Australian leaders and others in positions of influence who determined Australian naval policy throughout the inter-war period.

Thus, by 1939, HMA Naval Forces were a shadow of the Fleet Unit which returned to Australia in 1919. The balanced and mutually supporting modern force with which the Bruce-Page Government began to replace the Fleet Unit was taken no further than the first five year programme. Subsequent provision was limited and tardy. By 1939 HMA Naval Forces were obsolescent except for the cruisers, they were not equipped for a wider role than trade protection without British forces, they lacked the operational support of the other Australian armed services, and they were subject to an outlook which was British rather than Australian oriented.

46 Hankey to Richmond, 20 August 1942. Richmond Papers, RIC/7/4, NMM. Richmond's article appeared in the Naval Vol.XXXI, No.1, 1943 p.23ff. It concluded that inertia combined with inability to look ahead was the cause of the present troubles. Richmond emphasised that naval power was but one element of sea power.
CHAPTER FIFTEEN

THE EUROPEAN WAR, 1939 TO 1941:
RAN PURSUIT OF DISPARATE OBJECTIVES

World War II revealed both the advantages and problems of Australian dependence on Empire defence as it had developed since 1919. The war was also a harsh test of the Australian Government's provision for maritime defence. It is not intended that this and the following chapter should summarise the many histories of the war. Rather, they will examine the effectiveness of Imperial and Australian naval policies for the defence of Australia in the light of the demands of operations.

Upon the outbreak of war in Europe the Australian Government was faced with the problem of resolving the conflicting demands of local and Empire defence in the context of acute Empire-wide shortages of men and equipment. Given the course of Australian naval policy since 1919, this not only involved the disposition of HMA ships but also depended upon the grand strategy adopted for the apportionment of military strength on an Empire-wide scale, for this regulated the quality of Britain's protection of Australia.

An immediate Australian declaration of war was determined, in part, by the relationship between RAN and RN. As on previous occasions, HMA ships flying the White Ensign were in danger of being engaged by hostile vessels
in the period of delay between the Admiralty's signal that hostilities had commenced and the parallel signal from the ACNB. Accordingly, on 22 August, Captain Collins

...called Mr Menzies...on the scrambled line and put the problem to him. After a few seconds' thought he approved the suggested signal authorizing H.M. Australian ships to act on the Admiralty War Telegram if and when received. Thus "Australia was there" even before Britain officially declared war.¹

There is no doubt that Menzies viewed a British declaration of war as automatically binding for Australia. It is also obvious that Menzies' agreement to Collins' signal did not automatically commit Australian forces in detail to distant theatres. His agreement was a sensible precaution to avoid handicapping Australian ships.²

Menzies was cautious in committing Australian forces overseas. After the first of the Precautionary Telegrams arrived on 22 August, the Naval Staff argued for a week to be allowed to commit HMA cruisers to their planned disposition for a European, as distinct from a Far Eastern, war. The ACNB supported a telegram from the Dominions Office of 23 August which requested permission to retain HMAS Perth in the West Indies, saying:

¹ Collins, As Luck, p.71. At the time Colvin was on leave in Britain and Collins, who was ACNS, acted in his stead until he returned to Australia on 3 October 1939.

² New Zealand acted similarly to Australia and immediately declared war without consulting her Parliament. The two Dominions without seagoing naval forces put the issue to their Parliaments. South Africa declared war on 6 September and Canada on 10 September. Eire remained neutral and India was automatically bound by the British Government's decision. That is not to say that naval forces made immediate declaration inevitable for those who possessed them. Rather, Australia and New Zealand possessed naval force as a consequence of their attitude toward the Empire. However, that possession added specific reason to the general attitude and resulted in immediate declaration.
In present circumstances cruisers are urgently required in the Atlantic and intervention by Japan seems a lesser probability. After consultation with First Naval Member 'Perth' has been delayed passing through the Canal pending Commonwealth Government's decision...  

In the event, Menzies agreed to Perth remaining in the West Indies and an Order in Council was issued placing that ship under Admiralty control.  

On 29 August the Naval Staff supported an Admiralty request that a 6 inch cruiser be sent to the Mediterranean, which was its allocated European war station. The primary purpose of the request was to ensure that the plans to reinforce the RN immediately were not hindered. Accordingly the Naval Staff added the warning:

3 S.S. Dominion Affairs to PM Aust., 23 August 1939, CAO, A461, item AB 337/1/5. HMAS Perth, ex HMS Amphion, was en route from British yards to Australia via the Panama Canal. The Admiralty were taking Australian agreement rather for granted, but so was Captain Parncombe, commanding Perth, who departed from his sailing instructions before being requested to by the Admiralty. Some doubt existed as to the precise arrangement for the transfer of ownership of Perth. The Minister for Defence, Brigadier Street, held the view that Perth was under Admiralty orders until delivered in Australia and the Admiralty's request to keep the ship in the West Indies was only a courtesy gesture. This view was contested in Cabinet, but the Prime Minister settled the issue by saying that the retention of the ship was temporary so the question was not important. CAO, CRS A2697, Vol.1, Australian Cabinet, Minutes of Meeting 29 August 1939.

4 Gill, Navy, 1939-1942, p. 130.

5 The Staff emphasised:

Should Eastern complications arise, a redissipation of all Naval Forces will automatically follow, and the Australian 6 inch cruisers should return forthwith to Australian waters; their rearranged station in an Eastern war. 

CNS to Minister, 29 August 1939. CAO, A816, item 40/301/59. The above letter appears on the Defence Department correspondence file only as a duplicate copy and is unsigned. As Colvin did not return to Australia until 3 October 1939 it is not certain who signed the original letter. However, the fact that it appears in Defence Department correspondence files (as distinct from Navy Office correspondence files) indicates that it was received by the central Defence Department Secretariat, and presumably seen by the Minister.
If threat of an Eastern War develops we should, in addition to the swift recall of our cruisers, certainly expect the British Government to strengthen the Naval Forces in Eastern and Pacific waters, in accordance with the pre-arranged plan. Any representations then made by Australia for the United Kingdom to accelerate the despatch of strong RN forces will lose force if we are not now prepared completely to fall in with the strategic plans that have been so carefully laid. 6

In this case, Menzies was not prepared to acquiesce until the situation was clarified vis-à-vis the intentions of Japan. 7

Apart from the disposition of HMA cruisers, the ACNB also adopted a cautious attitude and advised preparing for war against Japan. On 27 August the Defence Committee discussed a recommendation submitted by the ACNB that the Government prepare for a Far Eastern war, even if the British Warning Telegram was for 'European War only'. The Minister had approved of the recommendation and the Defence Committee concurred for the Air Force but not for the Army. 8

Thus, when the Imperial Warning Telegram was received in Navy Office at 9.50 p.m. on Sunday 3 September 1939, HMA naval forces were able to prepare more quickly than if action had been taken for a European war only. HMA ships proceeded toward their stations for an Eastern war except for Perth which remained on its European war station in the West Indies.

Only as the likelihood of an immediate Japanese entry into the war diminished did the Australian Government release HMA naval forces to reinforce RN stations. On

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6 ibid.

7 'In present international situation, the Commonwealth Government desire to place the ships of the RAN at the disposal of the United Kingdom Government, but find it necessary to stipulate that no ships (other than HMAS Perth) should not be taken from Australian waters without prior concurrence of Commonwealth Government'.

PM Aust. to SS Dominion Affairs, 30 August 1939. CAO, A 461, item AB 337/1/5.

8 CAO, CRS A 2031, Defence Committee, Minutes of Meeting 27 August 1939.
3 September Bruce cabled Menzies to explore informally the possibility of a second cruiser and five destroyers being released from the Australia Station. 9 The Admiralty made a formal request on 8 September which was further supported by the ACNB on 26 September. 10 The ACNB went so far as to point out that the destroyers were merely on loan from the RN. The matter was discussed with Colvin at the War Cabinet meeting on 17 October where it was considered that the likelihood of immediate Japanese involvement had declined and so the ships should be released from the Australia Station. 11 The Australian War Cabinet's

9 Bruce to Menzies, 3 September 1939. CAO, A 461, item AB/337/1/5. The RN was desperately short of anti-submarine vessels for the Atlantic and considered submarine attack in Australian waters unlikely.

10 Gill, Navy, 1939-1942, p. 73. The War Cabinet also agreed to three of the nine 'Sunderland' flying boats being purchased from Britain to remain there. CAO, CRS A2673, Vol.1, Australian Cabinet, Minutes of Meeting 6 October 1939.

11 CAO, CRS A2673, Vol.1, Australian War Cabinet, Minutes of Meeting 17 October 1939. Menzies was prepared to allow the five destroyers to go to Singapore and also was prepared to release a 6 inch cruiser provided it did not proceed west of Suez. Menzies to Bruce, 6 October 1939. CAO, A 461, item AB 337/1/5. Following the cruiser decision, the War Cabinet agreed to leave all the RAAF's No.10 Squadron of nine Sunderland flying boats in Britain on the same basis as the cruisers, viz., that they would return to Australia in the event of an Eastern war. No Chief of Staff was present at the War Cabinet meeting and the Minutes do not indicate any disagreement from the services. op.cit., Minutes of Meeting 20 October 1939. By 25 October the Admiralty, desperate for anti-submarine vessels in the Atlantic, withdrew destroyers from the Mediterranean and asked the Australian Government to allow its destroyers to reinforce the Mediterranean in return for two RN 'C' or 'D' class cruisers being sent to Australia. Cab 65/1, 59th Meeting British War Cabinet, 25 October 1939.
decisions of 17 October and subsequently did not indicate a volte-face in policy regarding the defence of trade on the Australia Station against German raiders. The destroyers were less suitable against enemy AMCs than the two cruisers which had been promised in their stead. Moreover, a 6 inch cruiser in the Red Sea was not far away from the Australia Station.  

The Menzies Government's reluctance to weaken its naval strength in Australian focal areas is further indicated by its refusal to allow Australian ships off the station to escort the first convoys of the Second AIF which was scheduled to sail in late November. The cruise of the pocket battleship Graf Spee between October and December 1939 affected Australia directly as three of the ships sunk by Graf Spee were on route from Australia to Britain. Cruises of other German raiders in this period were confined to the North Atlantic but alarmed Australian authorities none the less. To escort the convoy beyond Fremantle the Government was under pressure from the ACNB to allow the two 8 inch cruisers to proceed as far as Cocos Is. on the extremity of the Australia Station. Nevertheless, the Government was not prepared to release more HMA ships from the focal areas. The Australian War Cabinet discussed several alternatives on 21 December 1939 and decided to accept an arrangement which provided for two 8 inch cruisers and a battleship to be provided by the Admiralty to escort the convoy west of

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12 Gill, Navy, 1939-1942, p.133. Hobart left Sydney for the Red Sea on 13 October 1939 and Perth left the West Indies on 2 March 1940.

13 Gill, Navy, 1939-1942, pp. 81-4. The ships were Tremanion, Doric Star and Tairoa. Royal Australian Naval Reserve winners were serving on the last two ships and became the first Australian naval prisoners of the war.

The consequent rearrangement of Admiralty dispositions was made at the expense of hunting groups in the Indian Ocean.

However, with the restriction of German capital ships to their home waters early in 1940 the Australian Government relaxed its restrictions upon the use of HMAS ships to reinforce RN units overseas. The subsequent movements of HMAS ships off the Australia Station are detailed in the official history. German raider activity in the oceans around Australia increased in May and June 1940, and again in the period October to December 1940 and throughout 1941. On 10 June 1940 Italy entered the war against the Allies. A week later France asked for an armistice with Germany. The Australian Government was informed on 11 June 1940 that if France fell, and especially if Spain and Portugal followed to the Axis side, it was unlikely that the Admiralty would be able to reinforce Singapore as early as previously hoped. At the time most of HMAS ships including the two 8 inch cruisers were serving off the Australia Station. Yet the only occasion prior to December 1941 on which the Australian Government requested the return of ships to the Australia Station, once they had been released, was in December 1940 when German raiders sank five ships of the Nauru phosphate trade in two days.

15 The Government later modified their position to allow HMAS Canberra to escort the New Zealand section of the convoy from Wellington to Sydney. By the time the convoy sailed, the Australian Government were aware that Graf Spee had been sunk and the other German capital ships had returned to their bases. Gill, Navy, 1939-1942, p.90.

16 COA, CRS A 2673, Vol.3, Australian War Cabinet, Minutes of Meeting 11 June 1940. The following meeting on 19 June 1940 decided to send an Australian legation to Tokyo before the international situation deteriorated further to Britain's disadvantage.

17 Gill, Navy, 1939-1942, pp. 276- 83. Sydney and Manoora were returned early in 1941. HMAS Manoora was one of three merchant ships taken up by the ACNB at the outbreak of hostilities and fitted as an AMC.
Thus, by July 1940, the Menzies Government had inclined its support more toward the Empire side of the defence balance. The despatch of the Second AIF to the Middle East, the adoption of the Empire Air Training Scheme and the release of HMA ships from the Australia Station indicate the extent of the inclination. Once active involvement in other theatres was permitted, however, it gathered its own momentum.

When Australian forces were released for service overseas, the Government was adamant that they should be engaged on active service rather than being held in reserve. With this the Naval Staff wholeheartedly agreed. HMA naval forces serving overseas should be 'in the thick of things'. The policy resulted in HMA ships gaining invaluable experience in action. Those serving in the Mediterranean gained especially useful knowledge of anti-aircraft tactics which was later to be the basis of defence against formidable Japanese air attacks. However, the policy also resulted in the Australian Chiefs of Staff and the Government being unresponsive to British suggestions that Australian troops be used to reinforce Malaya as it was felt that this would relegate Australian troops to garrison duty. The effects of this attitude will be examined in the following chapter.

Australian participation 'in the thick of things' also contributed little to Australian influence upon the higher direction of the war. From the outbreak of war in September 1939 the potential for Australia to influence British decisions at the political level declined for several reasons, not the least of which was the contraction of the British Cabinet. The British War Cabinet which first met on 3 September 1939 was restricted to nine members and did not include the Secretary of State for

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18 CAO, WP1499, Series 5, item 1944/2/103. Colvin wished to arrange the exchange of Australia with a British 8 inch cruiser to provide Australia with operational experience. The War Cabinet agreed in principle. CAO, CRS A2673, Vol.2, Australian War Cabinet, Minutes of Meeting 27 February 1940.
Dominion Affairs as a regular member. While the views of Bruce were reported on several occasions, the inclination of the War Cabinet was to function without formal ties with the Dominions. Thus the visit of Dominion Ministers to Britain in November 1939 was kept to a full briefing and discussions rather than being turned into a formal Imperial Conference.

In October, the suggestion of reviving the World War I Supreme War Council comprised of British, Free French, Dutch, Belgian, Norwegian, Polish and Czechoslovakian representatives as well as Dominion High Commissioners was examined, but no decision was made. In the following month Menzies requested an Imperial War Conference and an Imperial War Cabinet on the lines of the previous war, but his suggestion was not taken up. Instead of acceding to his wishes, Churchill assured Menzies he would be welcome to visit Britain, and he did make Menzies a member of the War Cabinet while he was in

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19 Cab 65/1, 1st Meeting British War Cabinet, 3 September 1939. The Secretary of State for Dominion Affairs was kept aware of the agenda of the War Cabinet and continued to pass information to the Dominions, but his removal from War Cabinet discussions was significant for Empire relations. By the time Churchill succeeded Chamberlain as Prime Minister, the Secretary of State for Dominion Affairs had become a frequent attender at the War Cabinet, but that development was offset by Churchill's use of the Defence Committee (Operations) as an inner Cabinet.

20 Cab 65/1, 54th Meeting British War Cabinet, 20 October 1939. On 12 April 1940 the British War Cabinet approved a suggestion by the Secretary of State for Dominion Affairs for an Imperial Conference in the late summer of 1940 but the conference never eventuated largely because of lack of positive response from some of the Dominions, notably South Africa.

21 Cab 65/9, 276th Meeting British War Cabinet, 24 October 1940.

22 Cab 65/9, 282nd Meeting British War Cabinet, 4 November 1940.
The defeat of the Menzies Government and the formation of a Labor Government by Curtin in October 1941, together with the Japanese attack on the badly defended Malayan Peninsula in December was the culmination of a year of growing Australian disenchantment with the Churchill Government. On 20 December 1941 the Secretary of State for Dominion Affairs told the War Cabinet:

...the Dominions would almost certainly claim to be brought into the picture more fully in the future than in the past.25

23 Also in December 1941 Earle Page was present as Special Australian Representative at meetings of the British War Cabinet - Defence Committee (Operations) and argued for increased air force reinforcements to Singapore. The Special Australian Representative, however, was only called before the War Cabinet at its pleasure. Cab 69/2, 71st and 73rd Meetings British War Cabinet - Defence Committee (Operations), 3 and 19 December 1941. This did not give Page access to the close information which Menzies and Curtin desired. The First Lord of the Admiralty, Mr A. V. Alexander, at one War Cabinet meeting passed a note to the Secretary of State for Dominion Affairs, the Viscount Cranborne, asking:

Have we asked Cross to explain these things in detail. We seem here in these talks to listen to Earle Page going round in the same circles.

The answer was returned:

No, most of them have been included in Winch telegrams which the High Commissioner is not allowed by the Prime Minister to see.


24 Cab 65/19, 84th Meeting British War Cabinet, 19 August 1941.

25 Cab 65/20, 132nd Meeting British War Cabinet, 20 December 1941.
Nine days later the British War Cabinet noted Curtin's public declaration that the United States should have the fullest say in the direction of the war in the Pacific. The Secretary of State for Dominion Affairs commented optimistically:

with the development of the war in the Pacific, he felt sure that it would be necessary, if friction was to be avoided, to give the Dominions stronger representation in London in some form or other. 26

He was, however, too late.

In the New Year, with the support of Page, Churchill proposed to Curtin a Far East Defence Council which would consist of the existing British plus Australian, New Zealand and Dutch representatives. Curtin rejected the idea and instead stated the unanimous desire of the Australian War Cabinet and Advisory War Cabinet for a Pacific War Council comprised of representatives from Britain, the United States, Australia, New Zealand, China and the Netherlands. The Pacific War Council, he insisted, should be based at Washington, not London, and be responsible for the higher direction of the war in the

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26 Cab 65/20, 137th Meeting British War Cabinet, 29 December 1941. CAO, A1508, Series H 33/1/2, K 33/1/1 and M 33/1/1 contain files on the Australian attempts to inject an Australian voice into the decision-making process in Britain, at the highest level. See also Sir Arthur Fadden, They Called Me Artie, Chapters 5 and 6 for impressions of the degenerating spirit of cooperation between the two Governments.
Pacific. Curtin's demand was a bitter pill for the British Cabinet to swallow.

So bitter was the issue in early 1942 that Evatt, in his first attendance as Australia's Special Representative at the War Cabinet in May 1942, upon being welcomed by Churchill, said:

his Government wished it to be clear that the arrangements by which the United States authorities had undertaken operational responsibility for the defence of Australia did not affect in any way the position of Australians as members of the British Commonwealth of Nations with a common allegiance to His Majesty the King.

Churchill, in expressing his appreciation of the above statement, assured Evatt:

We did not, of course, regard ourselves as in any way relieved of our responsibility to do all in our power to defend our kith and kin in Australia.


28 The year 1941 witnessed as much British irritation with Australia as vice versa. Constant Australian requests for reassurances regarding Singapore together with friction over the AIF in the Western Desert culminating in Menzies', Fadden's and finally Curtin's insistence upon the relief of Australian forces at Tobruk added to the problems which the British Cabinet faced. Feeling was so high against Australia in the British Cabinet that when A. V. Alexander passed a note to one of his colleagues during a meeting regarding the relationship with Australia, he received the reply scribbled across the back of the note:

Australia is the most dangerous obstacle in the path of this government.

Alexander to [?] 26 January 1942. Alexander Papers AVAR 5/7/11. The note was written on the Prime Minister's letterhead but the person for whom it was intended is not stated and the initial on the comment quoted is indecipherable. The Alexander Papers also give clear indication of the general trend of bad feeling between the Australian and British Governments toward the end of 1941.

The failure of the process of consultation, and particularly the failure of the 'Imperial' Government to protect the base and fortress intended to secure Australia against invasion, put great stress on the relationship. The fact that it endured is tribute to its multi-faceted nature.

At the level of grand strategy, Australia was hostage to forces beyond her leaders' control. The inclination of the British Chiefs of Staff to concentrate on Germany first, which had crystallised from 1936 onward, was confirmed early in 1939 with the volte-face on the question of the continental commitment of the British Army. The acceptance of this commitment involved a change of emphasis which required not only the creation of a large army but also the development of a continental strategy involving an Eastern as well as a Western front. Thus British efforts were directed toward supporting resistance in Russia, Poland, Turkey and the Balkans. The value of the Mediterranean was considerably enhanced for the British and the likelihood of their abandoning it in favour of the Far East was proportionately diminished. That strategy lay behind the ill-fated attempt to rescue Greece. Even after Greece and Yugoslavia were defeated, much British effort continued to be made to support resistance movements in those two countries as well as to induce Turkey to become an active ally. The continental commitment was accepted in principle by Roosevelt early in 1941 and formally by the Washington Conference between the British and United

30 Howard, Continental Commitment, p. 130.
States Chiefs of Staff in December 1941. \textsuperscript{31} Decisions on the detail of British strategy were made within this framework.

However, while the war was restricted to Europe and the Middle East, Australia was able to contribute to Empire defence without serious threat to home waters. During this phase the RAN served with distinction in the Atlantic and Mediterranean. The crews of Australian ships earned high praise from their British counterparts and Commanders in Chief, especially the 'V' and 'W' class destroyers and the 6 inch cruisers in the Mediterranean. Vide Cunningham's comment, in proposing that the crews of the 'V' and 'W' class boats should man a flotilla of new 'N' class destroyers, that the RAN crews 'are magnificent material and quite wasted in these old ships'. \textsuperscript{32} Sydney's performance against the Italians is well known. \textsuperscript{33} Nevertheless, it cannot be doubted that had more RAN cruisers and destroyers existed to reinforce overseas stations and had the ships been of modern type, the RAN contribution to Empire defence at a time when the Admiralty desperately needed them would have been even more effective, loss of life may have been mitigated, fewer vessels, both merchant and naval, may have been sunk, and the German and Italian forces contained soon enough to allow the reinforcement of Singapore.

\textsuperscript{31} J.M.A. Gwyer, \textit{Grand Strategy}, Vol.III, Part I, Chapters XIV and XV. The final agreement was arrived at without consultation with Casey who was in close touch with senior British advisers. See Lord Casey, \textit{Personal Experience, 1939-1946}, pp. 80-82. For the Australian reaction to Roosevelt's acceptance of the British policy see Padden, \textit{They Called Me Artie}, p.54.

These views shocked the War Cabinet and the Advisory War Council as the basis of our commitments to the war in Europe and in the Middle East was security in the Pacific. If Australia were to be abandoned by the great powers until the war in Europe was decided, we and our countrymen might well be pulling rickshaws before very long.

\textsuperscript{32} Adm 1/11141.

At the same time, it should be noted that HMA ships serving with British fleets were supplied direct from British stores as if they were British ships. The cost of stores was charged to the Australian Government but Australia's naval contribution to Empire defence required no supply effort from Australia, which did not have an organization at this time capable of supplying HMA ships beyond the narrow limits of the Australia Station.

The problems of Australia's heavy dependence upon the RN during the inter-war years became most apparent in regard to Australia's shortcomings in supply and shipbuilding during the first two years of war. Apart from the dispositions of cruisers and destroyers discussed above, the Australian Government's contribution to the Empire naval war effort was limited. At the outbreak of war the RAN took up three merchant ships and equipped them as Armed Merchant Cruisers on behalf of the Admiralty. These ships, Moreton Bay, Arawa and Kanimbia, were manned by Australian crews. In May 1940 the Australian War Cabinet agreed to man ten AMSs building on Admiralty account in Australian yards. This offer was later extended to cover the thirty-two AMSs which the Admiralty ultimately ordered as will be seen below. However, the first of these ships was not available until late 1941. Australia could build nothing more substantial in the time. Meanwhile, the British situation in the Mediterranean was desperate with the RN badly in need of cruisers and destroyers.

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34 Interview with Vice Admiral Sir Alan McNicoll, 24 June 1974.

35 Roskill, War at Sea, Vol. I, pp. 538-540 and Vol. II, p. 43. One of the first AMSs to be commissioned, HMAS Bathurst, was sent to the Mediterranean in August 1941 but was returned to the Red Sea as it was considered her anti-aircraft armament was insufficient for the ship to work in an area where the enemy had control of the air. Gill, Navy, 1939-1942, p. 400.
The main Australian contribution to the Empire's naval expansion in the first two years of war was the provision of trained personnel. Between April and June 1940 arrangements were made with the Admiralty— and the Australian Government for the crews of the 'V' and 'W' destroyers in the Mediterranean to man a squadron of new 'Hunt' class destroyers building in Britain. The RAN made up the extra crews of these ships, which became known as the 'N' class, while manning the 'V' and 'W' flotilla with fresh crews from Australia. This policy required the training of 1,790 officers a year, the maximum rate which could be sustained with existing facilities in Australia. The RAN was also training anti-submarine personnel for the RN. By September 1941 Australia had supplied the RN with 96 Reserve Officers and 172 Reserve Ratings who had received limited anti-submarine training and 160 Officers and 200 Ratings enlisted under the 'Yachtsmen Scheme'. A further 3,000 Officers and Ratings served in the RN destroyers and corvettes manned by the RAN. The RN was also recruiting for the Fleet Air Arm in Australia. The high quality of the RAN contribution to RN ships has been detailed by Gill and Roskill. The RAN was prevented from

36 Adm 1/1141. These destroyers were paid for and maintained by the Admiralty but manned by the RAN. They were designated HMAS but were placed under the control of the Admiralty immediately they were commissioned and did not serve on the Australia Station. CAO, MP 1049, Series 5, item 1944/2/103. The ships were Nerissa, Nizam, Noble, Nestor and Norman.


38 ibid., p.413.

39 CAO, CRS A 2585, Naval Board, Minutes of Meeting 20 March 1941.

40 Gill, Navy, 1939-1942; Roskill, War at Sea.
training further personnel by lack of instructors rather than by any problem in attracting recruits.\textsuperscript{41} This shortage was partly a result of the economy of infrastructure following from the RAN's reliance upon RN resources for training and partly a result of the RAN's diminutive size.

The shipbuilding programme had been expanded by the end of 1941 to sixty AMSs, six frigates of a new and larger type than the 'Yarra' class, and the two 'Tribal' class destroyers.\textsuperscript{42} Thirty two of the AMSs were built on Admiralty account, and four were ordered by the Royal Indian Navy. The Admiralty vessels were designated HMAS as a courtesy gesture but were under the control of the Admiralty, not the ACNB. This programme took up all available yards and an urgent merchant ship construction programme was deferred until July 1941. Between that date and the end of 1943 the ACNB considered it impossible to undertake further work for the Admiralty or the Royal Indian Navy.\textsuperscript{44} In June 1942, the first four of a programme of 'Fairmile' class motor launches were under construction. By the same time most naval stores and equipment were being manufactured in Australia, including 4 inch anti-aircraft guns, but not the 4.7 inch guns of the 'Tribal' class destroyers.

\textsuperscript{41} CAO, MP 1049, Series 5, item 1944/2/103. Unlike the Empire Air Training Scheme the training of naval personnel in Australia did not prevent Australian officers from receiving experience in command of operational units.

\textsuperscript{42} The six frigates were each of 1,420 tons, two 4 inch guns and 20 knots. The first, HMAS Gascoyne, was commissioned in 1943. The remainder, HMA Ships Barcoo, Burdekin, Diamantina, Hawkesbury and Lachlan, followed in 1944 and 45.

\textsuperscript{43} HMAS Arunta was commissioned 30 March 1942. HMAS Warramunga was commissioned 20 November 1942. Gill, Navy, 1942-1945, p.104.

\textsuperscript{44} Gill, Navy 1939-1942, p. 412. In the period to the end of 1941 Australian yards also fitted 214 ships with defensive armament, equipped 216 ships with paravanes, and degaussed 198 vessels.
The shipbuilding programme was oriented, in part, toward alleviating the Admiralty's desperate need for small escort vessels and to that extent it diverted Australian resources away from building vessels for Australian use. As will be shown in the following chapter, the RAN badly needed more offensive units. However, Australian yards had been so neglected ships could not be built quickly enough. Unlike the RAAF's contribution toward Empire defence in the Empire Air Training Scheme, which converted the Air Force into a gigantic training organization to the detriment of its operational capacity, the Australian shipbuilding programme for the Admiralty did not greatly affect the Navy's offensive capacity in the short term. 45 The ships necessary for offensive operations which could be built in Australia, the 'Tribal' class destroyers, took three years to build. The first two destroyers, laid down just before the outbreak of war, were not available for the crucial period between December 1941 and April 1942. The AMSs were then beginning to be commissioned, but they were only of marginal help, although they were later useful in the islands. Nevertheless, they were no substitute for destroyers even then. Unlike the Air Force which could build, equip and train for specific tasks relatively quickly, as long as the designs and expertise were in existence and available to Australia, the RAN was unable to adapt quickly to changes of policy and was forced to operate to a large extent with the units acquired before the declaration of war.

The AMS programme for the RAN reflects to some extent the Australian Government's emphasis on defence of Australian focal areas as distinct from offensive action outside the Australia Station. Admittedly much of the emphasis on the programme resulted from failure to provide

45 For details of the Empire Air Training Scheme and its effect not only upon the RAAF but also upon the Government's ability to influence Allied strategy in the Pacific, see McCarthy, 'Air Power', Chapter V.
small escort ships in the inter-war period and the fact that the very simple AMS was the largest type of ship which could be produced quickly. However, that is not the whole case, for Cockatoo Island Dockyard in 1939 had three slips in existence capable of building 'Tribal' class destroyers. Only two destroyers were laid down in 1939. Yet, with other Australian yards becoming continuously available to build AMSs, the use of the third slip at Cockatoo Island for a 'Tribal' class destroyer would have had little effect on the AMS programme while it would have made a significant contribution later in the war to the balance of HMA naval forces.

The issue highlights the problem of Australian policy between the wars of remaining so heavily dependent upon British ships and equipment. The policy, adhered to in spite of dockyard and Labor Party pressure and for the sake of short-term financial gains, made the expansion of naval and merchant services extremely slow and limited at precisely the time when the expansion of both services was an urgent matter.

46 CAO, CRS A2673, Vol.1, Australian War Cabinet, Minutes of Meeting 25 October 1939.

47 It is not completely clear to what extent the number of destroyers laid down was under the control of the Australian Government and what influence the Admiralty exercised. Initially, although the Admiralty in 1936 recommended that four destroyers should be acquired, the Australian Government limited the first construction programme to two for financial reasons. CAO, AA 167/309, Box 34, item 1. Subsequently it appears that the Admiralty became less enthusiastic for Australian construction in the face of the difficulties of supplying guns and other equipment for their own rapidly expanding and far more efficient destroyer programme. In April 1940 the Australian War Cabinet agreed to 'render all assistance possible' to the Admiralty in constructing anti-submarine escorts. The first AMSs built were to be handed over to the Admiralty on the condition that Australia retained the right to recall them should local needs demand it. CAO, CRS A2673, Vol.1, Australian War Cabinet, Minutes of Meeting 29 April 1940. Australian yards could build an AMS in about half the time Cockatoo Island took to build the first two destroyers.
Menzies raised the question of increasing Australia's shipbuilding capacity with the Admiralty in February 1941. His pretext was that British yards were vulnerable to both air attack and invasion and he wanted Britain's shipbuilding effort to be transferred to the safety of Australia. The Admiralty concluded that this was practically an impossible proposition. Apart from the problems of strikes and the supply of material,

the general situation in Australia is not such as to warrant any great effort on our part to stimulate building there.\(^{49}\)

The Admiralty were equally reluctant for Australia to seek aid from the United States for this would divert resources from the British effort. The development of a major naval construction capacity in Australia would have required Britain or America to contribute 'almost everything except the factory sites'.\(^ {50}\)

The Australian Government's emphasis on defence of Australian focal areas to the exclusion of equipment needed for a major contribution outside the Australia Station is further illustrated by the policy toward building other light vessels. The motor launches needed for work in the islands to Australia's north, which had already been planned by the Naval Staff but deleted because of lack of funds at the outbreak of war, were not begun until mid 1942 when the Japanese menace to Australian focal areas had declined. Meanwhile, when Menzies was in Britain, the Admiralty suggested that Australia should build a more adequate type of ocean escort than the AMSs, of larger tonnage, greater speed and more guns. Menzies appeared to agree.\(^ {51}\) However, the Australian

\(^{49}\) Adm 1/11062. 'Memorandum on Shipbuilding in Australia', dated 13 February 1941.

\(^{50}\) Ibid.

\(^{51}\) Adm 1/11062. 'Note of a conversation with the Australian Prime Minister, Mr Menzies, the High Commissioner for Australia, Mr Bruce, and the Secretary of the Australian War Cabinet, Mr Shadden.' Dated 8 March 1941.
Government was initially not prepared to amend its programme as the larger vessels would take longer to build and AMSs were needed for the Australia Station. The Naval Staff persisted and in July the Government agreed to give construction of six frigates priority over the AMS programme, unless Australian needs changed. Thus, simplicity of construction was not the only factor determining the number of AMSs built as compared to the destroyers, frigates and motor launches.

In sum, to December 1941 Australian naval policy appeared to have been vindicated. The close relationship between the RAN and the RN produced efficient ships which, even if many of the vessels were obsolescent, nevertheless defended trade on the Australia Station against minimal threat and worked effectively in units of the 'Imperial' Navy against considerable air and naval forces in the Atlantic and Mediterranean. However, Australia was fortunate that war was confined to Europe and the Middle East for so long. The meagreness of Australia's contribution to Empire defence was camouflaged by the dispersion of Australia's naval effort among British units in various theatres. Australia's lack of balanced maritime forces was not critical during this phase of the war. Distance from the European Powers saved the defence of the Australia Station from being put to severe test. Australia's trade routes were safeguarded largely by Empire forces and Australia's lack of influence over Empire naval dispositions had not apparently

52 CAO, CRS A2673, Vol.7, Australian War Cabinet, Minutes of Meeting 15 May 1941.
53 ibid., Minutes of Meeting 11 July 1941. The six larger escort vessels were at first called 'corvettes' and later 'frigates'.
54 Morison, Vol.IV, p. 249 f/n, notes the comment of Admiral King, USN, that it was necessary to engage the attention of Australia to the defence of the approaches to their country, and shake them out of their isolationist attitude.
endangered Australian maritime interests. At the same time, the experience of the first two years of war increased the emphasis on the RAN's two disparate major objectives, viz., support of the RN and protection of trade on the Australia Station, to the detriment of attention to the vital area to Australia's north.
CHAPTER SIXTEEN

THE FAR EASTERN THEATRE TO MARCH 1942

With the outbreak of war against Japan, Australia faced the consequences of having given defence low priority for almost twenty years. The rapidity of the Japanese advance, which shattered the illusions of British strength in the Far East, revealed starkly the problems involved in Australia's overly compliant acceptance of British priorities and readiness to economise on defence in the belief that British protection would be forthcoming regardless of Britain's situation at the time. Britain's interests were shown to be not synonymous with Australia's.

Churchill's appreciation of the import of the Japanese attack upon the United States is well known.¹ His relief stemmed from his overall view of Allied grand strategy. However, from the Australian point of view the way in which events might move between December 1941 and the establishment of major American forces in the South West Pacific could not be predicted with confidence. Roskill notes:

¹ No American will think it wrong of me if I proclaim that to have the United States at our side was to me the greatest joy...I do not pretend to have measured accurately the martial might of Japan, but now at this very moment I knew the United States was in the war, up to the neck and in to the death. So we had won after all!
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for all the fiery energy and technical skill devoted by the Americans to creating these [S.W. Pacific] bases out of almost nothing, the great distances over which all the equipment had to be hauled made it an inevitably slow process; and meanwhile Allied strategy had to remain defensive. 2

The series of setbacks to the Allies' defensive strategy which followed the Japanese invasion of Malaya, Java and the Philippines brought Japanese power almost to Australian territorial waters. Invasion of Australia appeared to be imminent. 3

2 Roskill, War at Sea, Vol.II, p.34.
3 With the benefit of hindsight, it now seems that a Japanese invasion of Australia was much less likely than it appeared to Australians at the time. In March 1942 the subject was discussed at the Japanese Imperial General Headquarters. The Navy were in favour of invasion as it was evident that the United States was developing Australia as a base. The Army was opposed to it because they could not spare the twelve infantry divisions thought necessary for the task and shipping was scarce. Instead, occupation of Fiji, New Caledonia and the Solomons was accepted as a means of cutting the sea routes between Australia and America. As Butler concluded: Mr Churchill and the British Chiefs of Staff were therefore justified in refusing to accept the belief that a serious invasion of Australia was intended. The Australian Government on the other hand were justified in taking the possibility seriously. Butler, Grand Strategy, Vol.III, Part II, p.470. See also S.W.Kirby, The War Against Japan, Vol.I, Chapter VI; Nobutaka Ike (ed.) Japan's Decision for War: Records of the 1941 Policy Conference, 1967; D. Bergamini, Japan's Imperial Conspiracy: How Emperor Hirohito Led Japan Into War Against the West, 1971; and evidence by Mr D.C.S. Sissons before the Senate Standing Committee on Foreign Affairs and Defence, 1971-72, p.450, which assesses the various alternatives considered by the Japanese military planners. Sissons, working from T. Hattori, Daitō senso zenshi (Tokyo; Masu shobo, 1953) [The Complete History of the Greater East Asia War], notes that the twelve divisions which the Japanese Army felt were necessary for the invasion of Australia was one division more than the force used for the entire South East Asia campaign and could not be provided without drawing troops from China and the Soviet border. The 1.5 million tons of merchant shipping required would have further strained Japanese resources. The total shipping capacity allocated to the Army was 2.1 million tons until March after which it tapered off to 1 million tons in July. Although this knowledge was not known to the Allies in detail, the general scale of forces involved was sufficient to justify the appreciation of Churchill and the British Chiefs of Staff.
Although Singapore was considered fundamental to Australia's defence, the exigencies of the first two years of the war had led the Australian Government to divert its resources away from the Far East toward theatres of active operations. When the Australian Government did agree to reinforce Malaya, it was with reluctance. On 28 June 1940, after the defeat of France and entry of Italy into the war, the British Government made an urgent request to the Australian Government to divert a fully equipped division to Malaya in lieu of British naval forces. The Chiefs of Staff and the Government in Australia were reluctant, as a fully equipped division would absorb all weapons needed for training further divisions and would hamper the Australian contribution to active operations in the Middle East. Neither the Chiefs of Staff nor the Government was in favour of garrison duty in Malaya. A fortnight later the Australian War Cabinet considered an appreciation by the British Chiefs of Staff which caused the War Cabinet and the Australian Chiefs of Staff to modify their earlier conclusions and agree to preparations for moving the 7th Division to India. This transfer would have released a fully equipped Indian division for Malaya. However, a definite decision was deferred pending further advice from Britain.

In August 1940 a new 'Far East Appreciation' was received from the British Chiefs of Staff Sub-Committee, making a strong case for Australian reinforcement of Malaya.

and their overall allocation of strategic resources. Nevertheless, the way in which the Japanese Navy extended its original plans as a result of unexpected success, firstly to capture Rabaul and secondly to include Port Moresby in its perimeter, provided sufficient justification for the Australian Government to be concerned at the possibility of serious Japanese harassment. I am indebted to Mr Sissons for discussing this point with me.

4 CAO, CRS A2673, Vol.1.4, Australian War Cabinet, Minutes of Meeting 3 July 1940. Australian units already sent overseas had been only partly equipped before embarkation and completed their equipping from British sources.
5 ibid., Minutes of Meeting 9 July 1940.
6 ibid., Minutes of Meeting 20 August 1940.
However, the War Cabinet stuck to its preference for keeping Australian forces out of Singapore, whereupon the British Government requested that the 7th Division should be sent to the Middle East. The outcome of the Singapore Conference in October 1940 so alarmed the Australian Government that it withdrew its objections and offered a brigade group of the 8th Division for service in Malaya, but again as a temporary measure until it could be relieved by Indian troops and proceed to the Middle East. The subject was discussed with the British Government by Menzies in December 1940 with the result that between October 1940 and April 1941 most of the 8th Division was added to the three RAAP squadrons already in Malaya. No further air force reinforcements were sent at that time.

Despite repeated warnings of the weaknesses of the reserves provided to hold Malaya against an initial Japanese attack, the immediate north remained a subsidiary theatre for Australia until late in 1941. Although in March 1941 the Australian Chiefs of Staff obtained the concurrence of the War Cabinet that Australian troops should reinforce Timor and Ambon, the Australian reinforcement of the area

7 Ibid., Minutes of Meeting 23 September 1940.
8 Ibid., Minutes of Meeting 26 November 1940.
9 G. Long, The Six Years War, pp. 103-105. Air Chief Marshal Sir Robert Brooke-Popham, Commander in Chief Far East, met the War Cabinet in February 1941 and assured them Singapore could hold out for six months. In regard to air reinforcements:
He was of the opinion that Japanese planes were not highly efficient and that the Malayan Air Force would put up a good show against them... he did not look upon the Japanese as being air minded, particularly against determined fighter opposition.
CAO, CRS A2673, Vol. 5, Australian War Cabinet, Minutes of Meeting 14 February 1941. While one can accept the claims made that Brooke-Popham had to put on a bold face for public opinion (see Collins, As Luck, p.100), his optimism before the Australian War Cabinet appears grossly misleading.
was neither hurried nor in great strength. The Australian troops were to operate in conjunction with the Dutch and the formal boundaries of Australian responsibility remained as defined by the Australia Station. The naval shipbuilding programme continued without regard to any possible requirements for light craft for fighting among the islands, the Army continued to be preoccupied with the Middle East and the Air Force continued to concentrate on the Empire Air Training Scheme to the detriment of developing squadrons with modern offensive capacity. Australia continued to acquiesce in Britain's allocation of Empire resources and so the area to Australia's north continued to be accorded, in Australian priorities, the same low rank it was accorded in British priorities.

The extent to which events in other theatres distracted attention and resources from what was still only a potential theatre to Australia's north is illustrated by

10 CAO, CRS A2673, Vol.5, Australian War Cabinet, Minutes of Meeting 22 March 1941. A garrison was sent to Rabaul in March and April; Vila, Tulagi and Buka, New Ireland, Manus Island and Noumea were reinforced in July and the garrisons for Timor and Ambon were despatched in December. The latter garrisons were delayed because of political uncertainties with the Dutch and Portuguese Governments. The lack of urgency in providing front-line aircraft for the area resulted, in part, from the British Chiefs of Staff estimation

The majority of the 450 shore-based aircraft which the Japanese can marshal against us are of obsolete types and...we have no reason to believe that Japanese standards are even comparable with those of the Italians.

Long, Six Years War, p.106. Australian resources were therefore not diverted from the Empire Air Training Scheme.

11 For details of the RAAF's slow development of attack aircraft see Gillson, Air Force, 1939-1942, Chapter 6. It should be noted that the production in Australia of a long-range 'intruder' aircraft for the RAAF, the Bristol Beaufighter, was authorised by War Cabinet on 20 May 1941. Twelve aircraft were delivered in December 1941 and the remaining forty two in instalments by March 1942. The numbers of this type of aircraft were limited because a British order for production in Australia was not forthcoming. These aircraft entered service only a few months too late to take part in the Malaya and Java campaigns where they could have made a considerable contribution.
the results of successive Singapore conferences. The first conference, in October 1940, attended by Staff Officers from Malaya, India, Australia, New Zealand and Burma as well as a USN observer, made a full military appreciation of the reinforcements needed to defend the area. Timor's importance was noted as was the shortage of aircraft. The Australian War Cabinet expressed concern, agreed to extend the RAAF and to make some anti-submarine and minesweeping vessels available. However, the mining of areas off Wilsons Promontory and Cape Otway by German raiders in November 1940 led the War Cabinet to concentrate primary attention upon AMSs for local defence. On 8 January 1941 the British Chiefs of Staff issued a statement doubting the extremity of the danger to Singapore, stressing the demands of other theatres and opposing the need for modern aircraft in the Far East. On 22 March 1941 the War Cabinet considered a cable from Menzies, in London, which made it plain that even if Churchill's assurance to abandon the Mediterranean and come to Australia's aid in the face of an invasion was adhered to, the rescue operation could not commence at short notice and Australia would have to rely on her own resources in the meantime. Menzies had asked the British Government to

13 CAO, CRS A2673, Vol.4, Minutes of Meeting 12 November 1940.
14 Wigmore, Japanese Thrust, p.51. On 22 January 1941 the Australian War Cabinet was given a summary of performance details of Japanese naval aircraft. At the War Cabinet meeting of 4 February 1941 the Chief of the Air Staff admitted that Australian fighters were obsolescent but considered that few Japanese advanced types would be met in Australia, so the Australian Wirraway type aircraft had some fighting value and must be retained until Australia was able to acquire a more modern fighter. He was opposed to stopping production of Wirraways as they were valuable for the Empire Air Training Scheme. CAO, CRS A2673, Vol.5, Australian War Cabinet, Minutes of Meetings 22 January 1941 and 4 February 1941.
begin reinforcing the area east of Suez. However, initially this request was refused.

The second conference at Singapore in February 1941 failed to draw up a coordinated naval plan for Eastern waters and no adequate provision was made for naval forces at Darwin to support the projected Timor and Ambon forces. Inter-allied agreement was difficult to obtain. Staff talks at Singapore in April 1941 were the first serious attempt to coordinate American, British and Dutch forces. Australian officers were in attendance. However, the disparity between the British position centred upon Singapore and the American position centred upon the Pacific was too great to be resolved easily. The American representatives considered Singapore to be important but not vital and were not prepared to reinforce it at the expense of their capacity for offensive action in the Pacific. They did not intend to reinforce their own Asiatic Fleet based on the Philippines for the same reason. At the same time, the conference considered the likelihood of serious attack upon Australia or New Zealand to be small.

In May 1941 Menzies returned to Australia from London with chastened views. On 10 June he reported to the Australian War Cabinet the results of his visit, informing his colleagues of his assessment that Churchill was unable to conceive of the Dominions having separate strategic interests from Britain and stressing Churchill's lack of understanding of needs in the extremities of the Empire. He felt the British were, in general, complacent about the defence of the Pacific region. His conclusion from these assessments was:

16 CAO, CRS A 2673, Vol.5, Australian War Cabinet, Minutes of Meeting 22 March 1941.
17 Wigmore, Japanese Thrust, p.76.
18 ibid., pp. 80-82. Following this conference Captain Collins was transferred to Singapore and planning began on what eventually became the Plans for the Employment of Naval and Air Forces of the Associated Powers (PLENAPS). Collins, As Luck, p. 101.
...it is now evident that, for too long, we readily accepted the general assurances about the defence of this area.  

Again, Menzies noted the delays that would ensue in reinforcing the Far East even if Churchill's pledge to sacrifice interests in the Mediterranean was upheld. He seemed to be less than certain that this sacrifice would be made, and, even if it were, naval reinforcements would be slow to reach the Far East because withdrawal from the Middle East would be a protracted operation requiring naval cover to the last. Australia must therefore, he concluded, increase her own efforts in the local area.

The third Singapore conference in September 1941 examined Japanese strategic options and possible Empire responses, but achieved little. The last of the Singapore conferences on 18 December 1941 was the first which the Americans attended as full members. An arrangement for joint Allied command in the Far East was hammered out. The results were further discussed in London and Washington and the ABDA Command was formally inaugurated on 15 January 1942 (see Map 2) — more than a month after the outbreak of war in the Far East and only a month before Singapore was surrendered. Details of the command structure which was established have been related in full elsewhere. Suffice it to note that Australian ships were contributed to the theatre in the same piecemeal fashion as they had been contributed to the Middle East. There was no revision of the boundaries of the Australia Station and Australia could not

19 CAO, CRS A2673, Vol.7, Australian War Cabinet, Minutes of Meeting 10 June 1941. Agendum 195/1941, 'PM's Review of Visit Abroad.'

20 Page, Truant Surgeon, pp. 301-3. Earle Page, on his way to London as Australian Special Representative, attended this conference. This appears to be the first time a leading Australian politician had visited Singapore.


MAP 2. ABDA and ANZAC areas

Gill, Navy, 1939–42. p. 520.
have provided balanced and mutually supporting forces if there had been. The Admiralty had thus been realistic in their reduction of the RAN's strategic role during the 1930s to responsibility for the Australia Station only. Events in other theatres not only distracted attention and resources from the reinforcement of Singapore, but also seriously hindered the provision of a fleet for Singapore, so often promised during the two decades of peace. While the British Chiefs of Staff were increasingly aware from mid-1941 onward of the need to reinforce Singapore, a series of naval reverses depleted the number of ships which could be sent to the Far East. The aircraft carrier Ark Royal was sunk in November 1941, the carriers Illustrious and Formidable were repairing battle damage in the United States and the carrier Indomitable, which was to have joined the China Station with Prince of Wales and Repulse, ran aground and was damaged. Later in the month the battleship Barham and two cruisers were sunk in the Mediterranean. In mid-December the battleships Queen Elizabeth and Valiant were seriously damaged in Alexandria Harbour. The Mediterranean fleet was reduced to ten destroyers and the Admiralty seriously considered withdrawal from the Mediterranean. 23 Of the balanced fleet once planned for Singapore only Prince of Wales and Repulse could be provided before April 1942. 24 The Admiralty were in favour

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24 British naval losses to December 1941 totalled 3 capital ships, 3 aircraft carriers (two of them large), 11 cruisers, 60 destroyers, 34 submarines and 40 smaller vessels. A large number of ships had also been damaged. Most of the losses came from the unforeseen contingency of evacuating troops from Norway, the Low Countries, Dunkirk and other ports in Western France, Greece and Crete. Losses also occurred from German command of the air, especially in the Mediterranean. The losses closely resemble the balanced fleet the Naval Staff envisaged for Singapore. New construction had not kept up with the losses, especially in heavier ships.

of waiting until a balanced fleet could be assembled before committing the fleet to action against the Japanese. It was at Churchill's insistence that the two capital ships were sent to Singapore in December 1941 as a desperate gamble to forestall a Japanese attack.

Any assessment of Australian naval policy in the light of events in the Far East between December 1941 and March 1942 is forced to contend with overwhelming Japanese superiority in equipment, training, command structure and numerical strength. Given the state of Empire resources in 1939, only a fundamental re-ordering of strategic priorities could have prevented the defeats of December 1941 to March 1942. Nevertheless, some comment may be made regarding the Australian contribution and the consequences of inter-war naval policy.

Japanese air superiority was by no means inevitable. RAAF strength could have been built up to provide a relatively substantial reinforcement in the theatre but for two obstacles. Firstly, since 1938 British and American production had been directed toward supplying other needs. Secondly, since 1939 slowly expanding Australian production had been directed predominantly toward supplying training aircraft for the Empire Air Training Scheme. The types of aircraft needed to counter Japanese air power were operational elsewhere by the end of 1941.25 They could have been produced in Australia in time had the decision to do so been taken early enough.

Lack of urgency for the production of operational aircraft in Australia resulted directly from Australian involvement in Empire defence. The naval emphasis of

25. The first production Spitfires began entering service in the RAF in September 1938. R. Cross, *Military Aircraft, 1939-1945*, p.13. The development of the Beaufighter is outlined above in footnote 11. The Sunderland squadron had been operational for nearly two years but was left in Britain, see footnote 26. The Catalina reconnaissance flying boats were in service in the USAAF from 1938 onwards. The first in production Beauforts began entering service in the RAF in December 1939. See K. Munson, *Aircraft of World War II*, 1972.
British advice during the 1930s, inter-service rivalry, and
the readiness of Australian Governments to rely on Britain
for the provision of equipment, combined to deny the RAAF
any substantial share in the already limited Government
finance available for defence. Furthermore, when expansion
of the RAAF began in 1938, acquisition of obsolescent
British aircraft reinforced the subsequent strong British
pressure for Australian concentration on the Empire Air
Training Scheme rather than early development of a modern
operational capacity.

In the Far East, Allied naval forces were consistently
handicapped by inadequate reconnaissance. In the air, the
reconnaissance aircraft available were too few to cover the
many Japanese lines of attack and were forced to operate in
the face of enemy control of the air. At sea, the limited
number of Dutch and American submarines were forced by lack
of adequate surface vessels into a local defence role rather
than being used for independent harassment and
reconnaissance. In contrast, the Japanese were well served
by their submarines for reconnaissance. Prince of Wales and
Repulse were sighted several times on their way north on
8 December 1941 by Japanese submarines. Had more adequate
information on the Japanese presence at Singora been
available to the British, Vice Admiral Phillip’s mission
could have been abandoned earlier than it was.

Rear Admiral Doorman’s Eastern Striking Force was
continually frustrated in its attempts to take the offensive
by both inadequate Allied and excellent enemy reconnaissance.
On several occasions Doorman’s force expended its slender
resources steaming in areas where there were no enemy

26 The Australian Government agreed to No. 1 Squadron RAAF
(fighters) and No. 10 Squadron (flying boats) remaining in
the Middle East and Britain respectively, in return for 9
Catalinas and 18 long-range bombers. CAO, CRS A 2673, Vol.9,
Australian War Cabinet, Minutes of Meeting 8 December 1941.
The replacement aircraft were not operational by March 1942.

27 Roskill, War at Sea, Vol.1, p. 566.
vessels. The Japanese not only knew where Doorman's force was for a significant proportion of the time but also, in the final battle, had aircraft continually spotting over the Allied ships. Concerning the final battle of the Java Sea, Roskill wrote:

On paper the opposing forces were evenly matched, but greater advantages than mere gun power lay with the enemy, for he had good air reconnaissance and cooperation, and his ships were an integrated and highly trained force.

Offensive air support was as seriously lacking for the Allies as it was plentiful for the Japanese. From Phillip's operation against Singora to Doorman's sortie into Sourabaya Strait on the night of 26/27 February 1942, Japanese air attack harried the Allied naval forces. In the absence of carrier-borne aircraft the limited Allied air forces were decreasingly effective as their aircraft were destroyed, airfields overrun, supplies abandoned or destroyed and command structure disrupted.

During December 1941 and January 1942 British and Dutch naval operations in the ABDA area were concentrated on escorting convoys into Singapore while the Americans concentrated on attacking enemy forces invading the Philippines. Given the British Empire's commitment to maintain Singapore, there was no alternative but to defend the convoys carrying reinforcements. However, the means available for their defence were inadequate. The Japanese used land-based aircraft to attack the convoys, restricting their naval forces to covering their own rapidly advancing amphibious operations. Allied air strength was not


30 Admiral Sir Roger Keyes took the sinking of the Prince of Wales and Repulse as the occasion for a bitter attack upon past British Governments for their failure to develop naval aviation. *News Chronicle*, 18 December 1941, copy held Adm 1/11043.
sufficient to protect the convoys and so the task fell to
the naval forces, thereby preventing the early formation of
a naval striking force. The USN was critical of this use
of naval forces. However, the USN did not share the
belief, prevalent in the British Empire, that the safety of
Australia and New Zealand depended upon Singapore.

In view of the shortage of vessels available to form a
striking force in the western ABDA area the smallness of the
Australian contribution requires justification. HMA naval
forces which were contributed to the area consisted of two
6 inch cruisers, one destroyer and four AMSSs. The
Australian War Cabinet had reluctantly approved the transfer
of the whole destroyer flotilla from the Mediterranean to
the China Station but service in the Mediterranean had
necessitated refits to three and only Vampire was immediately

31
At the April 1941 conference at Singapore, the Chief of
Staff of the United States Asiatic Fleet, Captain Purnell,
argued that
overemphasis on escort-of-convoy would deprive naval
striking forces of their necessary punch to break up
Japanese amphibious and fleet attacks; the British-
Dutch concept of operations, emphasising local
defence and escort, seemed to him defensive almost
to the point of defeatism.

31A
The RACAS, Rear Admiral Crace, was privately opposed to
sending the two cruisers to the ABDA area. In his diary for
30 January 1942 he wrote:
got a cypher from N.B. saying Commonwealth Government
had concurred with a request that Perth should join
the force in ABDA area and that she was to escort a
U.S. troop convoy leaving on 7th Feb. This is
maddening and must I think be an overriding of N.B.
opinion by Govt. Perth cannot make all the
difference to ABDA whereas her loss here makes this
force inadequate for its job. We must concentrate
and if there is to be a force in Anzac area it
should be big enough for its job of trade protection
and capable of dealing with a Japanese force landing
in the Islands.
available. The AMSSs were four of fourteen vessels commissioned by the end of 1941. The two cruisers were Hobart and Perth. Of the other Australian 6 inch cruisers, Sydney had been sunk on 19 November 1941 and Adelaide was suitable only for action against enemy raiders, although had she been given a heavy anti-aircraft armament as proposed in 1936 her contribution could have been valuable. The two Australian 8 inch cruisers were restricted to convoy duty south of Banka Strait during December and January. When convoys to Singapore were stopped in February, both cruisers were withdrawn to the east coast of Australia. Australia joined Anzac Force which was formed by Australia, New Zealand and the United States in January 1942 to protect the eastern and north eastern approaches to Australia. Canberra was sent to Sydney for a short refit before also joining Anzac Force.

32 CAO, CRS A2673, Vol.9, Australian War Cabinet, Minutes of Meeting 12 November 1941. The three destroyers refitting were Stuart, Vendetta and Voyager. Waterhen had been sunk in the Mediterranean in September 1941. Vampire served in the screen of Prince of Wales and Repulse. The 'N' class destroyers, HMA Ships Napier, Nizam and Nestor, were transferred to Singapore in January 1942 but remained under Admiralty control and were later redeployed. Because they were under Admiralty control they have not been regarded as Australian ships for the purposes of this chapter.

33 Gill, Navy, 1939-1942, p.489. These ships were HMA Ships Burnie, Goulburn, Bendigo and Maryborough.

34 Ibid., pp. 519-20. The creation of Anzac Force was the beginning of the RAN's formal relationship with the USN.

Rear Admiral Crace records: ...cable from Washington which proposes that in the ANZAC area the Force should be under the command of an American PO. They will provide 1 8" or 6" cruiser. I think it the greatest impertinence but we've got to take what we can get nowadays. N.B. is having the greatest difficulty in getting any information from USA regarding ships or their activities.

Entry 21 January 1942, Crace Diaries, Vol.III. The importance of the islands to the north east of Australia was stressed by the Naval Staff in February 1941 when they examined Japanese resources requirements and concluded that Japan needed to capture the Netherlands East Indies and New Caledonia. The Staff argued:

Should Japan expose her forces by attempting to establish a base in the islands to the North East of Australia, we must take the offensive against her using our maximum cruiser concentration.

CAO, MP 1049, Series 5, item 2026/2/382.
The ACNB's emphasis on trade protection in the eastern and north eastern waters of Australia during the crucial period between December 1941 and March 1942 was reinforced by advice, as late as October 1941, that Churchill and the British Chiefs of Staff were doubtful of a full scale invasion of Malaya, believing instead that the main danger lay in attacks on the trade routes by Japan's fast modern battleships. This was consistent with the British belief, held since 1919, that war against Japan would be a guerre de course supported by battle ships.

Taken in the context of Australian assessments of the time, the RAN contribution to the ABDA area was made at considerable risk to the security of trade on the Australian east coast. On 26 November 1940 the CNS had informed the War Cabinet that, in the event of an Eastern war, two 8 inch cruisers, three 6 inch cruisers and five destroyers would be needed to protect Australian focal areas, assuming adequate air strength was available. On 12 February 1941 the War Cabinet was told, as a result of the latest Singapore conference:

It is considered that Japanese strategy will aim at maintaining a cruiser force in the Tasman Sea area, possibly backed by a heavier unit or aircraft carrier, and that this would be part of their main plan in any attack on Malaya or the Dutch East Indies.

The decision to transfer the destroyer flotilla to Singapore in November 1941 was made on the continued assumption of there being a European war only. In the event of war with Japan, the War Cabinet directed that they should be returned to the area of Australia's main disposition; viz., the Tasman

35 Kirby, Japan, Vol.1, p. 85. On 8 December 1941, the CNS confirmed to the War Cabinet that he expected raids by Japanese AMCs in the Tasman Sea. CAO, CRS A 2673, Vol.9, Australian War Cabinet, Minutes of Meeting 8 December 1941.

36 CAO, CRS A 2673, Vol.4, Australian War Cabinet, Minutes of Meeting 26 November 1940.

37 ibid., Minutes of Meeting 12 February 1941.
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\textsuperscript{36} CAO, CRS A 2673, Vol.4, Australian War Cabinet, Minutes of Meeting 26 November 1940.

\textsuperscript{37} Ibid., Minutes of Meeting 12 February 1941.
Yet, when the ABDA command was formed, the Australian Government left the Tasman Sea area defended by the obsolete 6 inch cruiser, Adelaide, with two New Zealand 6 inch cruisers, HM Ships Leander and Achilles nearby. The American cruiser Chicago was sent to the area later. Nonetheless, the Australian gamble was not sufficient to provide the forces needed for offensive action in the ABDA area.

The small number of destroyers prevented the Allies from harassing enemy forces at night. Vice Admiral Glassford's operation against Japanese transports off Balikpapan on the night of 23/24 January 1942 was an indication of the type of offensive for which destroyers were suited and confirmed previous experience with such tactics in other theatres. Similar opportunities were available on many occasions. For instance, on 25/26 January, a Japanese landing force at Endau, 80 miles north of Singapore, escorted by a light cruiser, six destroyers and several smaller craft was attacked by the destroyers HMAS Vampire and HMS Thanet. The attackers were driven off by the Japanese destroyers and Thanet was sunk. The disparity in numbers and performance was too great. The value of Australian built 'Tribal' class destroyers in this role, had they been completed in time, may be imagined.

By the time the Eastern Striking Force was formed on 3 February 1942, and British and Australian ships had joined it on 14 February, the opportunity for offensive action had passed. The Japanese drives southward had gained them sufficient airfields to control the Java Sea by land based aircraft and Doorman's force was never able to gain the

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38 ibid., Minutes of Meeting 12 November 1941.
40 The Japanese destroyers were commissioned between 1928 and 1930, of 1,700 tons, six 5 inch guns, nine 24 inch torpedo tubes and 34 knots. Vampire was first commissioned in 1917, of 1,100 tons, four 4 inch guns and six 21 inch torpedo tubes. Thanet was first commissioned in 1919, of 900 tons, two 4 inch guns, two 21 inch torpedo tubes and 31 knots. Gill, Navy 1939-1942, pp. 558-9 and p.509.
initiative. Australia's limited naval strength and the demands of the focal area in the Tasman Sea were the determinants of the extent to which Australia could contribute naval forces in defence of the area to its north. The only Australian vessels available to contribute to an offensive in the area, when the campaign was in its vital stage, were those acquired by the RAN prior to the outbreak of war, less those already sunk.

The Admiralty were aware of the possibility of raiding Japanese trade in the Sea of Japan and Western Pacific in the German mode. The Australian 8 inch cruisers had been acquired in the 1920s, partly for that reason and the Darwin reserves developed to support them. However, once the European war started, the world-wide shortage of ships, and the 'fortress' capacity attributed to Singapore, mitigated against that possibility being taken seriously. After the ABDA area was formed on 15 January 1942, the Western Pacific became part of the American sphere of responsibility.

41 Vice Admiral K. D. B. Dewar brought this point to the Admiralty's notice in 1939 when he wrote in an appreciation of the Far Eastern theatre:
In the event of war with Japan, the superiority of the Japanese Navy in far eastern waters and the eventual capture of Hong Kong may be taken for granted. Under these circumstances, the danger is that we might concentrate our weaker naval forces at Singapore for the defence of that area. The adoption of this policy would surrender the initiative to Japan and repeat the error of the Russians in the war of 1904. The British Navy can only play an effective part by vigorously attacking Japanese shipping in the Sea of Japan and Western Pacific. Unfortunately we are so accustomed to the comparatively narrow waters of the North Sea and Mediterranean, where our naval superiority ensures secure anchorages for fuelling etc., that the great possibilities of a guerre de course may be overlooked. It is not always realised that raiding vessels after attacking in the Japanese focal areas can easily evade observation and pursuit in the vast oceanic spaces to the North, East and South of Japan and may free themselves from dependence on fixed bases by fuelling at sea. There is little doubt that comparatively few cruisers and submarines operating in this manner could exert strong pressure on Japan besides immobilising part of her Navy. They would (cont.)
Neither the Australian Chiefs of Staff nor the Government were ignorant of the need for taking the offensive. In their 'Review of Australian Defence Policy' for the Council of Defence in May 1939, the Chiefs of Staff had commented that a Japanese invasion could be put off balance most effectively by offensive action, as the Japanese were, '...a people peculiarly liable to dislocating shocks'.42 The necessary ships, however, had not been built in Australia. HMA naval forces were not trained in the techniques of raiding and the necessary mobile logistic support had not been developed.

The RAN had made little provision for close support of the Army. This was, again, partly the result of the limited responsibilities of the Australia Station and partly the result of financial starvation of the services between the wars. Previous Australian experience had been of an AIF transported overseas to fight in British areas of responsibility, albeit escorted en route by HMA cruisers. Close support of the Army in the islands, however, required heavily armed motor launches and small, shallow-draught transports as well as supporting destroyers and air cover. Construction of motor launches was proposed by Hughes in the Council of Defence on 24 February 1938 but rejected by Colvin as:

\[
\text{inflict more damage on her shipping than four or five times their number operating from Singapore besides being less liable to interception by superior forces.}
\]

Dewar to Admiralty, [no date] October 1939. Dewar Papers, MMM. Although this paper was not available to ACNB the disruptive effect of Von Spee's squadron upon Empire naval forces in the Far East and Pacific during World War I was well known in Australia. Dewar's appreciation takes insufficient account of Japanese air power. However, the point remains that inferior British forces in the Far East could have gained more from an offensive rather than a defensive strategy and it could have been profitable had vessels been provided for the purpose.

42 CAO, MP 1049, Series 5, item 1855/2/126. 'Review of Australian Defence Policy', 27 May 1939.
the seas were too big for the operation of such vessels, and they would be of no value in Australian waters.\footnote{43} Admittedly Hughes was making a nuisance of himself at the time,\footnote{44} but the point remains that the ACNB were concentrating almost exclusively on Australian focal areas. Colvin's view of small craft capabilities was justified in terms of operations in Australian western, southern and eastern waters. In Malaya the Army's flanks along the west coast were exposed to Japanese light craft but appeals to the Navy for protection could not be met effectively.\footnote{45}

The British forces fighting around Rangoon, with shallow waters stretching well off-shore, suffered the same handicap. Destroyers and cruisers could not operate close inshore to support the Army.\footnote{46} Similarly, in regard to the defence of Timor, sloops and motor launches might have overcome some of the problems of mobility faced by Australian troops, as well as providing gunfire and anti-aircraft support especially in the Koepang area. In view of the preponderant Japanese forces landed on Timor it is doubtful that naval support alone could have reversed

\footnote{43} CAO, CRS AA 1971/216, Council of Defence, Minutes of Meeting 24 February 1938.

\footnote{44} Admiral Collins remembers Hughes as being generally critical of naval arrangements and raising several radical schemes. Interview with Vice Admiral Sir John Collins, 11 December 1972. Hughes was Minister for External Affairs from 29 November 1937 to 7 April 1939.

\footnote{45} To give this support was, of course, a traditional function of the Navy. But on this occasion we simply did not possess the forces to carry it out effectively; and because air cover was lacking such little ships and craft as could be spared could only work by night. Though they failed to bring the Army any substantial relief, they did successfully evacuate 2,700 cut-off troops at the end of January. There can be little doubt that the failure to control the coastal waters on the Army's flanks contributed to the collapse on land. Roskill, War at Sea, Vol. II, p.8.

\footnote{46} ibid., p.19.
the outcome. However, the point is that the necessary vessels for any cooperation were not built in time. 47

The value of adequate light naval forces was continually emphasised during the campaign. The few Allied attacks upon Japanese forces which were made between December and March, apart from those made by Doorman's force, were carried out mostly by aircraft or submarines. Vice Admiral Layton, upon resuming command of British forces after the death of Phillips, requested reinforcements of submarines, minesweepers, destroyers and aircraft. 48 The limitations of capital ships in an area controlled by enemy air power were emphasised by Layton's directive that British capital ships should not proceed east of Colombo until a balanced fleet had been formed. The only submarines available for the Malayan area were five Dutch boats detached under the ABDA agreement of January 1942. Operations by submarines and aircraft inflicted some losses but were not sufficient to be of any great effect.

The restriction of the submarines to local defence also limited their effectiveness, as had been predicted constantly before the war, although submarines and aircraft did worry the Japanese during their landings in Borneo and Sumatra. After naval activity became impossible off the Philippines, American submarines were free to range further afield but their numbers had been severely reduced and so their immediate effect was not great. 49 The effectiveness of American submarines operating independently out of Fremantle

47 HMA ships carried out shoots both individually and collectively at targets ashore to gain proficiency in the art of shore bombardment. However, it was unusual for army artillery liaison officers to be present on such occasions. Comment made by Vice Admiral Sir Richard Peck to the author, on 23 May 1974. Admiral Peck was gunnery officer in Hobart and Australia during World War II.

48 Gill, Navy, 1939-1942, p. 491. All these vessels, except the submarines, could have been built in Australia at that time.

and Brisbane later in the war gives an indication of the use to which this weapon could have been put by the RAN had Imperial politics, Australian financial resources and the boundaries of the Australia Station not removed offensive action in the islands from the area of Australian responsibility.

Because Australian naval policy after 1930 was not concerned greatly with the areas to Australia's north, there was little pressure on the Australian Government to provide suitable forces. Like Singapore, the area to Australia's north was regarded throughout the inter-war period in Australia as the prerogative of the British Government. The Australian Government and the ACNB took only a general interest in the area and trusted British leadership. Australia took no initiatives toward a regional defence arrangement for the Far East area apart from the Singapore conferences. So, when the ABDA area was formed, Britain and America had their main interests elsewhere, Malaya was too small to contribute much and the Netherlands East Indies and Australia were left as the most interested Powers in the area. The Netherlands East Indies was subject to general Dutch diplomatic isolation during the inter-war period which made formal arrangements or joint training difficult. Britain, and therefore Australia, was not generally interested in defensive alliances outside the Empire prior to 1936 and because of the dependent attitude within Australia, no initiatives in regard to defence of the area were forthcoming. Australian ships visited the Netherlands East Indies on several occasions and successive Chiefs of the Naval Staff conferred with the Dutch authorities while en route to Britain or Singapore\(^50\) but formal arrangements for joint exercises were not made.

\(^{50}\) Colvin called on Dutch and Portuguese authorities en route to Singapore in June 1939. He travelled in HMAS Swan and did not fly his flag to avoid embarrassment to the respective authorities. Sydney and Canberra were scheduled to visit Batavia in September 1939 but with the imminence of war in Europe the visit was cancelled 'on account of epidemic of measles in Squadron'. Menzies to S of S Dominion Affairs, 24 August 1939, CAO, A 461, AB 337/1/5.
Even in regard to ANZAC cooperation arrangements were minimal until 1939 and it was as a result of New Zealand initiative that the situation improved. The Pacific Defence Conference of April 1939 has been examined above. Following the conference the Naval Staffs in Melbourne and Wellington agreed to a periodic exchange of views and information. A meeting between Colvin and Commodore W. E. Parry, the Commodore Commanding the New Zealand Division, in August 1940 paved the way for a closer working relationship and communication across the Tasman thenceforth ensued on a private as well as an official level. A system for coordinating command in the Tasman Sea between the Central War Rooms in Melbourne and Wellington was established the following month. The arrangement of the Anzac Force flowed naturally from the increased cooperation. Thus the disparate objectives of Australian naval policy in the inter-war years, which limited Australian attention to sending ships to work with the RN in Home Waters and the Mediterranean and covering the narrow responsibilities of the Australia Station, prevented Australian initiatives for cooperation in Australia's local region.

The ABDA command was an emergency measure and lacked cohesion. National authorities were left in command of their respective forces as much as possible and the fundamental differences between British and American interests were not resolved. Communication at all levels was bad and was made worse as the Japanese advance disrupted

51 See Chapter Thirteen.
52 CAO, MP 1049, Series 9, item 1855/2/150.
53 CAO, MP 1049, Series 9, item 2026/2/382.
54 PM New Zealand to PM Australia, 4 October 1940. CAO, A 1608, item F/51/1/8.
arrangements. Personal animosities exacerbated the
situation. When Doorman's force finally assembled on
14 February it had not worked together previously and had
no chance to train together before going into action. When
the force sailed seeking Rear Admiral Takagi's Attack Group
on 27 February, a set of standard signals for fleet
manoeuvres had not been worked out. Doorman's force
suffered accordingly in the ensuing action.57

The consequences of the Allied loss of the ABDA area are
beyond the scope of this thesis. Their importance has been
summed up by Roskill:

If ever students should, in the years to come,
seek an example of the consequences of the loss
of marine power over waters adjacent to countries
in which world powers held great interests,
they will surely need to look no further than the
events in the Pacific and Indian Oceans during
the early months of 1942.58

The reasons for loss of control lie not with lack of effort
or sacrifice on the part of those involved in the campaign.

Fortunately, the nadir of Allied fortunes in the Pacific
was reached just short of an invasion of Australia. American
involvement in the war alongside Britain left the Japanese
forces over-extended at the limits reached in April 1942 and
Australia was not forced to rely completely on her own
inadequate resources. However, this situation resulted
from the Japanese attack on Pearl Harbour rather than
from Australian participation in Empire defence. The
consequences of the economic restrictions imposed upon
the armed services during the inter-war years were not
dramatically exposed by a serious attack upon the
continent or Australian trade, but the sacrifices which were
made on active service to ensure that freedom were, in all
probability, greater than they might have been had adequate

1939-1942, pp. 552-3. Thomas, Java Sea, pp. 103-9, and
pp. 130-132.
57 Thomas, Java Sea, pp. 170-211.
forces existed. It must be questioned whether the saving on defence in the inter-war years was justified by the subsequent cost of unpreparedness in war.

The events of late 1941 and early 1942 illustrate the flaws of excessive Australian dependence upon the Singapore concept - a base without adequate defence or a fleet to operate from it - in lieu of an adequate provision of Australian forces. Fortuitously, the importance of the Singapore base as an essential element in the defence of Australia had been exaggerated. Australia could be defended by naval forces without the Singapore base. The Singapore concept had overshadowed the principle of naval mobility. The fundamental weakness which the Japanese success revealed was the inadequacy of Empire naval forces to cope with the three potential enemies which had emerged during the inter-war period. The eventualities in the third theatre could only be met by contraction elsewhere. The British Government had promised to sacrifice the Mediterranean in the event of a serious attack on Australia. Nevertheless, in the light of their disingenuous continuation of assurances of protection after 1937, and of their revelation to Menzies that if the Mediterranean were sacrificed it would be many months before naval forces were free, it is questionable whether the British Government would have, or could have, honoured its assurance in time to prevent serious attack upon Australia or Australian interests had the Japanese so desired. American entry into the war obviated the need for sacrifice of the Mediterranean, as sufficient naval forces were added to the Empire's strength to defend Australia, but the fall of Singapore revealed the difference between Australian and British ideas of what constituted a serious threat.

Although the weaknesses of Empire defence were revealed, the ultimate weakness of Australia's unbalanced and badly prepared maritime defences was not fully realised in Australia. The trauma of Singapore produced little more effect on Australian policy than the shift from one protector to another, although the formal arrangements which secured the
new protectorate were not finalized until the post-war period. Heavy dependence upon a protector remained the basis of Australian naval policy. For the remainder of World War II, Australia continued to function as a reserve area. HMA naval forces continued to concentrate on Australian focal areas and otherwise to contribute supplementary forces to the protector's formations. These, in turn, continued the inter-war custom of providing both the balance and the bulk which Australia lacked.
CONCLUSION

The RAN emerged from World War I as a confident, well-trained service with a balanced capacity of sufficient size to permit it an individual role within the Empire naval structure. This role was achieved by a very close relationship between the RAN and the RN which kept the former to the latter's standards while permitting economies to be made with infrastructure. At the same time, however, with little in the way of a maritime tradition in Australia and a high proportion of British officers on loan to the service, the RAN failed to gain wide public support as an 'Australian' institution. It remained the most strategically, politically and socially conservative of the three armed services and the strongest supporter of Empire defence.

The economic and strategic advantages of continued British protection made Empire defence the only acceptable alternative for successive Australian Governments. Contention existed regarding the balance and size of Australia's contribution to the arrangement and therefore the extent of Australia's dependence upon Britain. In determining the size of Australia's contribution, economic factors played a more significant part than the perceived threat, for it was always assumed by Australian Governments that Britain would protect Australia. For example, in a situation of no discernible threat but buoyant economy, the Bruce Government embarked upon the highest naval expenditure of the inter-war period. Australian leaders spoke of bearing a fair share of the Empire defence burden as well as of developing the economy. The economic crisis of the early
1930s, combined with the Labor Party's suspicion of the RAN, led to severe reductions in the RAN as well as the other services which, in turn, led to increasing Australian reliance upon Britain. The Lyons Government maintained that balance initially despite evidence of growing tension in the Far East. Gradually, as economic conditions improved, Australian defence spending increased with the Navy receiving the greatest share. By 1936 the idea of bearing a fair share of the Empire defence burden was being expressed once more, but the extent of Australia's contribution was limited by continued concern for the economy and failure to appreciate the risks inherent in the international situation.

Australian naval policy, as distinct from expenditure, was determined in Britain. Australian Governments qualified British advice by limiting the amount to be spent on defence, but complete dependence upon British service and diplomatic intelligence, together with general deference to all things British, made it extremely difficult for Australian leaders to develop distinctive Australian policies or to discern the problems inherent in excessive dependence. With few Australian senior officers and with no tradition of frank and critical analysis of strategy or policy, the RAN easily assimilated Admiralty doctrine and had a vested interest in the Empire relationship. The Singapore policy was accepted with very little question as the foundation of British defence policy in the Far East. Because the defence debate in Australia was ill-informed, it tended to polarize around the two extremities of the dependence/independence spectrum. The querying of both British ability to protect Australia and the wisdom of British advice tended to be equated with disloyalty and was rarely undertaken by a serious Australian critic. Consequently, the differences between the strategic situations and needs of Britain and Australia and especially the shortcomings of the Singapore scheme, were insufficiently appreciated in both countries. At the same time, the Empire relationship did not develop in such a way
that Australia could have had significant influence upon
British foreign or defence policy. The effectiveness of
the British protection upon which Australian naval policy
was based was thus determined largely by the contending
forces of British domestic politics.

The complexity of the relationship and the traditional
ties further hindered Australian ability to assess its value
as a defensive alliance. In terms of diplomatic prestige,
for example, Australia gained more from membership of the
Empire than could have been supported by Australia's
population and resources in isolation. The orderly evolution
of independent Dominion status proceeded fast enough to
avoid serious dissatisfaction. Traditional ties continued
to be respected and the concept of loyalty to the Mother
Country was undisturbed.

The orderly evolution of Australia's role in the
Empire relationship resulted in a level of consultation
between Australian and British Governments which was far
from satisfactory, although it appeared to be adequate at
the time. On the one hand, British leaders disseminated the
weaknesses of Britain's defence capacity and presented
Australian leaders with an optimistic view of the
international situation which could not be reconciled with
British weaknesses. On the other hand, Australian leaders
accepted British advice too compliantly and relied upon
British protection too conveniently. British leaders must
bear the responsibility for not grasping the nettle and
revealing British defence weaknesses frankly and fully in
order to give Australia a reason for adequate defence
expenditure. Australian leaders must bear the responsibility
for being unrealistic in assuming that British and
Australian interests were synonymous and of being naïve in
trusting British leaders to be as careful of Australian
interests as they were of their own, especially in the face
of minimal Australian contribution to Empire defence. In
failing to appreciate that Australia was ultimately of only
marginal significance in the scale of British priorities,
Australian leaders and their advisers deserved the obfuscations which were practised upon them.

In continuing to place great faith in British assurances of protection, Australian leaders followed closely the British lead in naval arms limitation. Widespread popular anti-war feeling in both countries coincided with a need for economies in public spending to make arms limitation a welcome palliative to short-term ills. However, as naval arms limitation became systematised, it gained a momentum of its own which carried British leaders further than other nations. This momentum rendered British reaction, at first, less sensitive to the growing armed threat to the Empire's interests, and then, unable to convey a sufficient sense of danger to Australia in time to stimulate an adequate Australian response. Expansion of the Australian armed services lagged behind that of the British and was pursued without the necessary energy to cope with rapid international developments. Meanwhile, as a result both of those developments and of Britain's weakness, previous categorical British assurances regarding protection of Australia were modified, but Australia was not fully informed.

The RAN's expansion accelerated very slowly. It was begun too late in the 1930s to have a timely effect upon a service that had been reduced below the strength necessary to maintain an adequate core for rapid expansion. The rate of increase of personnel was limited by shortages of instructors and the lack of facilities. The variety of ships necessary for a balanced force could not be acquired. The RAN could not obtain British equipment which was being taken up by the rapid expansion of the RN and there was no alternative, readily acceptable source of supply available. The refusal of successive Governments to bear the cost of encouraging Australian shipbuilding and ancillary industries left the country able to produce only the simplest warships quickly. Until after the Axis advance had been contained, the RAN had only the ships acquired prior to the
war, plus the simple escort vessels and a limited number of personnel, to contribute to the Allied war effort.

The level to which the RAN was reduced in the early 1930s also had consequences which were wider than the reduction in the number of ships. By destroying the balance of HMA naval forces the Scullin Government added to the effects of the treaty limitations imposed on the Empire as a whole and caused the Admiralty to reduce the strategic responsibilities of the RAN to within the limits of the Australia Station. This restriction counteracted the broadening effect of the RAN's close relationship with the RN and strengthened local defence thinking in Australia. This, in turn, strengthened the tendency in Australia to regard the wider issues of Empire defence as Britain's prerogative and further disinclined the Lyons Government to restore the RAN to anything more than a force for trade protection in Australian focal areas. Although their training and equipment enabled Australian ships to work effectively in British command areas, the RAN was not capable of offsetting British weakness in the vital area to Australia's north.

The hostilities of 1939 to 1941 were sufficiently distant for Australia not to be seriously threatened. Australia honoured her Imperial obligations by contribution of her ships and men to active theatres, although the Government grew increasingly disquieted at British failure to reinforce Singapore. The unbalanced nature of HMA naval forces and their small size were camouflaged by their assimilation into British units. Australia's miniscule supply organisation and neglected shipbuilding industry severely limited her contribution to Empire defence but these shortcomings were overshadowed by the outstanding performance of Australian servicemen.

With the outbreak of hostilities in the Far East, the weaknesses of Australian naval policy in the inter-war period were starkly revealed. The disadvantages of heavy reliance upon a trusted protector as well as the extent of
British disingenuousness were laid bare in the shattered ruins of the Singapore base. Excessive dependence upon British advice had resulted in the low-priority which Britain accorded to Singapore also being adopted in Australia. By the time Australian leaders realised the danger, it was too late to compensate for the deterioration which the RAN had suffered under the protective umbrella of the Singapore policy. The limited size, obsolescent quality and unbalanced nature of Australia’s naval forces rendered opposition to the Japanese advance unprofitable sacrifice and left other areas of Australian maritime responsibility undefended. Pre-war scenarios regarding Japanese objectives and modi operandi were demonstrably inadequate as the Japanese advanced with unsuspected skill, especially in the air, and over a breadth of area not generally contemplated. Australia, whose development in the inter-war years had been so aided by saving on defence, lay open to serious attack. Even if the Mediterranean theatre had been sacrificed, British forces would have been many months in coming to Australia’s aid. Such an attack upon Australia was not feasible once the United States had entered the war. American participation, however, was not a foregone conclusion in 1941. It was both precipitated and shaped by Japanese initiatives.

The grim lessons of depending upon a protector who had grown too weak to uphold her guarantees were quickly submerged in the relief at finding another guardian. Australia changed her protectors rather than her policy. Although the dependent relationship of the RAN to the RN between 1909 and 1941 had maintained a Blue Water policy of sorts in Australia, it had failed to produce a significant maritime tradition.
### Appendix 1

**Australian Defence Expenditure, 1921-1956**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Defence</th>
<th>Navy</th>
<th>Army</th>
<th>Air Force</th>
<th>G.N.P. (at market prices)</th>
<th>Defence Expend. as % of G.N.P.</th>
<th>Public Authority Expenditure as % of G.N.P.</th>
<th>Defence as % of Public Auth. Expenditure</th>
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</thead>
<tbody>
<tr>
<td>1921-22</td>
<td>5,964,730</td>
<td>2,272,665</td>
<td>1,059,924</td>
<td>1,155,082</td>
<td>680.6</td>
<td>0.05</td>
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<td></td>
</tr>
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<td>1922-23</td>
<td>4,587,062</td>
<td>2,124,491</td>
<td>1,081,764</td>
<td>279,337</td>
<td>560.5</td>
<td>0.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1923-24 (a)</td>
<td>5,000,000</td>
<td>2,066,420</td>
<td>1,156,454</td>
<td>222,057</td>
<td>706.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1924-25 (a)</td>
<td>5,000,000</td>
<td>2,066,033</td>
<td>1,157,270</td>
<td>225,055</td>
<td>857.0</td>
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<tr>
<td>1925-26</td>
<td>6,478,847</td>
<td>3,497,361</td>
<td>1,167,819</td>
<td>454,700</td>
<td>637.9</td>
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<td>1926-27</td>
<td>7,996,938</td>
<td>5,054,108</td>
<td>1,126,109</td>
<td>487,705</td>
<td>618.0</td>
<td>0.92</td>
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<td>1927-28</td>
<td>7,382,390</td>
<td>4,704,607</td>
<td>1,159,201</td>
<td>523,715</td>
<td>660.5</td>
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<td>1928-29</td>
<td>6,526,482</td>
<td>3,207,035</td>
<td>1,065,718</td>
<td>664,441</td>
<td>856.0</td>
<td>0.76</td>
<td>21.3</td>
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<tr>
<td>1929-30</td>
<td>5,046,500</td>
<td>2,091,091</td>
<td>1,282,172</td>
<td>545,150</td>
<td>763.5</td>
<td>0.64</td>
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<tr>
<td>1930-31</td>
<td>2,859,049</td>
<td>1,778,029</td>
<td>1,154,985</td>
<td>409,071</td>
<td>650.7</td>
<td>0.59</td>
<td>20.5</td>
<td>2</td>
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<tr>
<td>1931-32</td>
<td>1,014,826</td>
<td>1,446,703</td>
<td>994,680</td>
<td>336,037</td>
<td>667.3</td>
<td>0.52</td>
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<td>1932-33</td>
<td>2,159,960</td>
<td>1,408,013</td>
<td>979,144</td>
<td>319,974</td>
<td>648.0</td>
<td>0.49</td>
<td>20.1</td>
<td>2</td>
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<td>1933-34</td>
<td>3,417,494</td>
<td>1,646,430</td>
<td>1,226,716</td>
<td>775,108</td>
<td>681.6</td>
<td>0.41</td>
<td>20.7</td>
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<tr>
<td>1934-35</td>
<td>4,964,333</td>
<td>2,724,077</td>
<td>1,308,860</td>
<td>579,558</td>
<td>717.9</td>
<td>0.53</td>
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<td>1935-36</td>
<td>7,014,432</td>
<td>3,503,039</td>
<td>1,610,751</td>
<td>704,525</td>
<td>780.0</td>
<td>1.12</td>
<td>22.3</td>
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<td>1936-37</td>
<td>8,065,142</td>
<td>3,177,680</td>
<td>2,232,008</td>
<td>1,181,973</td>
<td>859.2</td>
<td>1.07</td>
<td>23.7</td>
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<td>1937-38</td>
<td>9,731,290</td>
<td>3,093,023</td>
<td>2,181,536</td>
<td>2,101,536</td>
<td>1,062</td>
<td>1.06</td>
<td>30.6</td>
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<tr>
<td>1938-39 (c)</td>
<td>17,005,856</td>
<td>5,259,268</td>
<td>4,368,597</td>
<td>2,818,087</td>
<td>930.1</td>
<td>1.85</td>
<td>33.8</td>
<td>7</td>
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<tr>
<td>1939-40</td>
<td>55,715,311</td>
<td>11,520,000</td>
<td>4,094,000</td>
<td>1,111,400</td>
<td>1,034</td>
<td>4.45</td>
<td>24.5</td>
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<tr>
<td>1940-41</td>
<td>170,829,573</td>
<td>32,994,000</td>
<td>89,574,000</td>
<td>31,970,000</td>
<td>1,062</td>
<td>15.64</td>
<td>33.1</td>
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<tr>
<td>1941-42</td>
<td>210,103,667</td>
<td>22,245,000</td>
<td>186,572,000</td>
<td>27,720,000</td>
<td>1,029</td>
<td>25.03</td>
<td>40.3</td>
<td>61</td>
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<tr>
<td>1942-43</td>
<td>562,664,000</td>
<td>29,577,000</td>
<td>288,772,000</td>
<td>107,274,000</td>
<td>1,474</td>
<td>32.17</td>
<td>51.6</td>
<td>73</td>
</tr>
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</table>

(a) Total not given in year book
(b) Navy includes construction and survey of Barrier Reef
(c) Total inter-war defence expenditure = £124,077,410

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Columns (1) to (4) taken from Year Book of Commonwealth of Australia. The figures quoted do not correspond exactly with those quoted in previous year book or in P.P. The system of classification under which figures are given in the year book changed three times during the period for which figures were extracted. Totals vary considerably and the figures given here are intended as a guide to trends, not with any pretence to precision.

Columns (5) to (8) taken from R. Matthews, Public Investment in Australia, pp. 167, 168 and pp. 474.
Australian Defence Expenditure, 1921-1939
## APPENDIX II

**BRITISH NAVY ESTIMATES AND ACTUAL EXPENDITURE**

**1919-1939**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Estimates in £1,000s</th>
<th>Net Expenditure in £1,000s</th>
</tr>
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<tbody>
<tr>
<td>1918-19</td>
<td>149,200</td>
<td>334,091</td>
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<td>1919-20</td>
<td>157,529</td>
<td>154,084</td>
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<td>1920-21</td>
<td>84,372</td>
<td>92,505</td>
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<td>1921-22</td>
<td>82,479</td>
<td>75,896</td>
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<tr>
<td>1922-23</td>
<td>64,884</td>
<td>57,492</td>
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<td>1923-24</td>
<td>58,000</td>
<td>54,064</td>
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<td>55,865</td>
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<td>1930-31</td>
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<td>50,164</td>
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<td>1933-34</td>
<td>53,570</td>
<td>53,444</td>
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<td>1934-35</td>
<td>56,550</td>
<td>56,616</td>
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<td>1935-36</td>
<td>60,050</td>
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<td>1936-37</td>
<td>69,930</td>
<td>80,976</td>
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<td>1937-38</td>
<td>78,065</td>
<td>78,259</td>
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<tr>
<td>1938-39</td>
<td>93,707</td>
<td>96,396</td>
</tr>
<tr>
<td>1939-40</td>
<td>63,399</td>
<td>99,429</td>
</tr>
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</table>

Roskill, Naval Policy, p. 586.
Royal Navy Actual Expenditure

£1,000's

Year

1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938
1939
1940
1941
BIBLIOGRAPHY

The inter-war period and World War II are subjects of a considerable literature. British, American and Australian official war histories contain introductory chapters which deal with defence in the inter-war period. Many British personalities of the period have written their memoirs or otherwise contributed their insights to posterity. Some Australian personalities have done likewise, although very few service leaders have made any public comment upon their experiences. The British scene is well-covered by authoritative biographies and subject studies. The Australian scene is less well provided with such works, although there has been growing interest in the inter-war period by Australian scholars since the official records were opened to public access early in 1972. Apart from the very detailed official histories, much has been written about specific aspects of World War II and Singapore has received special attention. The most important contribution to the study of naval policy in the period is that of S. W. Roskill, whose combination of Naval Policy Between the Wars and Hankey: Man of Secrets provides extensive insights into the service to government nexus in Britain during the 1920s.

Of the secondary sources which deal with Australia's part in the Empire relationship, only two analytical works relate directly to Australian naval policy in the inter-war period. Myslop's Australian Naval Administration covers the time span of the thesis but is concerned with administration rather than policy. McCarthy's 'Air Power and Australian Defence' devotes a chapter to Empire defence and the naval
relationship but this is not a definitive treatment of the subject. He has not used British Cabinet Conclusions or the Chiefs of Staff Sub-Committee Minutes and Memoranda and, in particular, he has succumbed to the inter-war notion that strengthening the RAN would, ipso facto, strengthen Australian involvement in Empire defence whereas reducing it and spending proportionately more on the Army and RAAF would increase Australian independence. Nevertheless, his accomplishment in researching the topic before Australian government records became officially available must be paid due credit.

A considerable amount of official material has now been cleared by the Australian Archives, which had its name changed from Commonwealth Archives Office on 7 March 1974. The collections are in the process of being re-ordered but the references provided will enable material used in this thesis to be located. New accessions are being progressively cleared. The most profitable sources in my research were the Navy records held in MP 1049, which is now provided with a detailed finding aid, the secret and confidential records of the Prime Minister's Department, and the External Affairs records held in A981. Although Australian government records have been open, subject to a 30 year rule, since early 1972, significant items are either closed to access or otherwise unavailable. No Australian Cabinet records were kept before 1938 when the Cabinet Office was established. Cabinet minutes do not exist prior to 1939. Papers presented to Cabinet before 1938 were returned to the issuing Department with a comment, usually hand-written on the document. These documents are still restricted for the period prior to 1939 and clearance remains the prerogative of the Department of the Prime Minister and Cabinet.

The personal and official papers of Menzies and Curtin are closed, although clearance of the Curtin papers is believed to be under consideration. A large collection of Bruce's papers are in the custody of the Australian Archives but are closed under the terms of Lord Bruce's will for ten
years from his death. These papers extend into World War II. The few papers available are mostly speeches, press cuttings and invitations. The papers of Lyons are mainly concerned with domestic and electoral matters and are disappointing to students of Australian international relations. The papers collected by Shedden to write a history of the Department of Defence are in the custody of the Department of Defence and remain closed to access. The papers of the Chiefs of Staff Committee are not in the custody of the Australian Archives and are presumed to be still held by the Department of Defence.

Of the British records which I searched between April and September 1972, Prem 3 was closed to access and I was unable to gain access to the Churchill papers or the correspondence of Admiral Sir James Somerville. The most profitable collections were Cab 2 and Cab 23 in the Cabinet series and, of the naval records, Adm 1, Adm 116 and Adm 167.

The following sources have affected the form or content of the thesis or substantially aided my understanding:
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Vice Admiral Sir John Collins, Sydney, 3 March 1972
First Naval Member, ACNB, and 11 December 1972.
1947-55.

Professor Sir John Crawford, Canberra, 11 January 1974.
Commander J. Donovan, RAN Sydney, 24 January 1972.
(retired). Served in the
Australian 'O' class submarines.
Lord Garner, Canberra, 6 March 1974.
Private Secretary to Mr Malcolm MacDonald, 1941-42.

Vice Admiral Canberra, 24 June 1974.
Sir Alan McNicoll, First Naval Member, ACNB, 1965-68.

Captain T. E. Nave, Melbourne, 5 February 1974.
Engaged on intelligence operations with RAN and RN from 1925-1949.

Second Naval Member, ACNB, 1944-46; Flag Officer in Charge Eastern Australian Area, 1950-55.